



Proposed Changes to the National Energy Board Part VI (Oil and Gas) Regulations¹

SHORT TITLE

1. These Regulations may be cited as the *National Energy Board Act Part VI (Oil and Gas) Regulations*.

INTERPRETATION

2. In these Regulations,

“Act” means the *National Energy Board Act*; (*Loi*)

~~“heavy crude oil” means a substance that has a density greater than 875.7 kg/m³ and is~~

~~(a) oil, other than refined petroleum products,~~

~~(b) a blend of oils, other than refined petroleum products, or~~

~~(c) a blend of oils, other than refined petroleum products, with refined petroleum products; (*pétrole brut lourd*)~~

“crude oil” means

(a) oil, other than refined petroleum products,

(b) a blend of oils, other than refined petroleum products, or

(c) a blend of oils, other than refined petroleum products, with refined petroleum products

“licence” means a licence for the exportation ~~or importation~~ of oil or gas issued under Part VI of the Act; (*licence*)

~~“light crude oil” means a substance that has a density equal to or less than 875.7 kg/m³ and is~~

~~(a) oil, other than refined petroleum products,~~

~~(b) a blend of oils, other than refined petroleum products, or~~

~~(c) a blend of oils, other than refined petroleum products, with refined petroleum products; (*pétrole brut léger*)~~

“order” means an order authorizing the exportation, ~~importation, exportation for subsequent importation or importation for subsequent exportation~~ of gas or ~~authorizing the exportation of~~ oil that is issued by the Board under these Regulations; (*ordonnance*)

“refined petroleum products” means

(a) oil recovered by the processing of oil sands,

(b) gasoline-type fuels for use in internal combustion engines,

(c) oil for use as a component in the blending of gasoline-type fuels referred to in paragraph (b),

¹ Proposed deletions are struck out. Proposed additions are underlined.

- (d) middle distillates, including the products commercially known as kerosene, stove oil, diesel fuel, furnace oil, diesel oil, gas oil, distillate heating oil, engine distillates and Nos. 1, 2 and 3 fuel oils,
- (e) heavy fuel oils, including Nos. 4, 5 and 6 fuel oils, bunker "C" oil, "C" grade oil, residual fuel oil, heavy bunker oil, intermediate and thin bunker fuels and any blend of heavy fuel oils, and
- (f) partially processed oil, whether commingled with crude oil or equivalent hydrocarbons or not. (*produits pétroliers raffinés*)

PART I

GENERAL

PROCEDURES FOR APPLYING FOR AND ISSUING LICENCES AND ORDERS

3. In addition to the requirements of these Regulations, Part I of the *National Energy Board Rules of Practice and Procedure, 1995* applies in respect of the procedures to be followed in applying for and issuing a licence or an order.

4. The approval of the Governor in Council is required prior to the issuance of a licence for

(a) the exportation of gas;

~~(b) the importation of gas;~~

(c) the exportation of ~~heavy~~ crude oil; or

(d) the exportation of refined petroleum products ~~oil other than heavy crude oil.~~

CONDITIONS OF ORDERS

5. [Repealed, SOR/2000-256, s. 1]

SUSPENSION AND REVOCATION OF ORDERS

6. (1) Subject to subsection (2), the Board may

(a) suspend an order if any term or condition of the order has not been complied with or has been contravened; or

(b) revoke an order if the holder of the order refuses to comply with any term or condition of the order, or does not comply with any conditions imposed for the lifting of a suspension.

(2) Before suspending or revoking an order, the Board shall send a notice to the holder of the order setting out the term or condition of the order that it is alleged the holder has not complied with, has contravened or has refused to comply with, and shall afford the person an opportunity to be heard.

(3) Notwithstanding subsections (1) and (2), the Board may suspend or revoke an order on the application or with the consent of the holder of the order.

INSPECTIONS

7. (1) A member of the Board or any person authorized by the Board in writing for the purpose may, in order to carry out an inspection in connection with the exportation or importation of oil or gas, at any reasonable time
- (a) enter any premises in which oil or gas is produced or recovered for export from Canada, is exported from Canada or is imported into Canada, or any place of business related to such production or recovery;
 - (b) inspect any instruments, devices, plant, equipment, books, records or accounts or any other thing used for or in connection with the exportation or importation of oil or gas; and
 - (c) conduct any tests that are necessary in order to carry out the inspection.
- (2) A person authorized by the Board to exercise the powers referred to in subsection (1) shall produce the authorization, when requested to do so during the exercise of those powers.
- (3) Every person who is the operator of or in charge of any premises or any thing referred to in subsection (1) shall permit a member of the Board or a person authorized by the Board to exercise the powers referred to in that subsection and shall assist the member or person in exercising those powers.

UNITS OF MEASUREMENT

8. (1) For the purposes of these Regulations, all gas shall be measured in units of measurement that meet the requirements of the *Electricity and Gas Inspection Act*, and
- (a) in the case of volume measurement, shall be expressed as the number of cubic metres the gas would occupy at standard conditions, namely, at a temperature of 15°C and at an absolute pressure of 101.325 kPa; and
 - (b) in the case of thermal measurement, shall be computed as the number of joules on a dry basis where dry gas has a moisture content of less than 110 mg/m³.
- ~~(2) Where volume is measured under conditions of temperature and pressure other than the standard conditions described in paragraph (1)(a), the volume shall be converted to the equivalent under the standard conditions, in accordance with the Ideal Gas Laws, and shall be corrected for deviations from the Ideal Gas Laws in accordance with subsection (3), where the amount of the deviation exceeds one per cent.~~
- ~~(3) Correction for deviation from the Ideal Gas Laws shall be based on the tables published in American Gas Association (AGA) Report No. 3, *Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids*, as amended from time to time.~~
- (4) Notwithstanding subsections (1) ~~to (3)~~, propane, butanes and ethane may be measured in liquid form, in which case the volume measurement shall be computed in cubic metres.
9. For the purposes of these Regulations, the units of measurement of liquids, other than liquids determined by the Board to be cryogenic liquids, shall be computed at a temperature of 15°C.

PART II

GAS

DIVISION I

GAS OTHER THAN PROPANE, BUTANES AND ETHANE

Application

10. This Division applies to gas other than propane, butanes and ethane.

Exemption

11. Ethylene and propylene are exempt from the operation of Part VI of the Act.

New section:

11.1 The following transactions are exempt from the operation of Part VI of the Act:

(a) the importation of any gas;

(b) the exportation of any gas for subsequent import or the importation of any gas for subsequent export; and

(c) the exportation of any gas where the gas is carried by motor vehicle in their own tanks for their consumption.

Information to be Furnished by Applicants for Licences for Exportation

12. An applicant for a licence for the exportation of gas shall furnish to the Board all the information that is necessary for the Board to dispose of the application, including, unless otherwise authorized by the Board,

(a) the terms that the applicant is requesting for the licence, including

(i) the duration of the licence,

(ii) the maximum ~~daily~~, annual and term quantities of gas proposed to be exported, and

(iii) if applicable, the tolerance levels that are necessary to accommodate temporary operating conditions; ~~and~~

~~(iv) the points of exportation of the gas from Canada;~~

(b) ~~information respecting the~~ source of gas to be exported ~~applicant's gas supply supporting the proposed exportation, whether contractually dedicated or undedicated, including~~

~~(i) a summary of the quantities of gas under contract to or owned by the applicant, including daily and annual volumes, reserves and the termination date of every such contract, and~~

~~(ii) a copy of each pro forma contract for each type of gas purchase contract;~~

~~(c) information respecting the applicant's gas market, including~~

~~(i) details of the applicant's gas export sale, including~~

~~(A) a copy of every gas export sales contract for the proposed exportation,~~

~~(B) a detailed summary of the terms and conditions of every such contract, including the details of the matters referred to in Schedule I, substantially in the form set out therein, and~~

- ~~(c) the name of a person to whom questions respecting the details of every such contract may be directed, and~~
- ~~(ii) a description of the export market to be served by the proposed exportation;~~
- ~~(d) where the gas proposed to be exported is from a gas supply other than a contractually dedicated pool, field or area, a gas supply and demand balance for the reserves supporting the application, on both an aggregate and an annual basis for the duration of the proposed exportation, identifying all firm contractual commitments supported by those reserves;~~
- ~~(e) details of the transportation arrangements pertaining to the proposed exportation, including~~
 - ~~(i) the details and status of all contractual arrangements for the movement of the gas in and outside Canada,~~
 - ~~(ii) a copy of every transportation contract for the movement of the gas in Canada, and~~
 - ~~(iii) a description of any existing or proposed gathering, storage or transmission facility, and of any new facility other than a gathering, storage or transmission facility, that is required to move the gas to market, whether the facility is, or will be, in or outside Canada,~~
- ~~(f) information respecting the potential environmental effects of the proposed exportation and any social effects that would be directly related to those environmental effects;~~
- ~~(g) an assessment of the impact of the proposed exportation on Canadian energy and natural gas markets to determine whether Canadians are likely to have difficulty in meeting their energy requirements at fair market prices;~~
- ~~(h) a copy of, or details of the status of, each approval or authorization of a federal, provincial or state government pertaining to~~
 - ~~(i) the removal of gas from a province,~~
 - ~~(ii) the importation of gas into the country of destination,~~
 - ~~(iii) transportation services,~~
 - ~~(iv) tariffs and tolls,~~
 - ~~(v) facilities,~~
 - ~~(vi) environmental reviews, and~~
 - ~~(vii) contractual arrangements necessary for the exportation of gas; and~~
- ~~(i) a status sheet summarizing the contractual arrangements and regulatory approvals and authorizations, substantially in the form set out in Schedule II.~~
- (c) a description of the implications of the proposed export on the ability of Canadians to meet their gas requirements;
- (d) the period within which the proposed exportation must commence in order for the licence to remain in effect; and
- (e) the names and contact information of the applicant and any authorized representative of the applicant.

Information to be Furnished by Applicants for Licences for Importation

- ~~13. An applicant for a licence for the importation of gas shall furnish to the Board all the information that is necessary for the Board to dispose of the application, including, unless otherwise authorized by the Board,~~
- ~~(a) the terms that the applicant is requesting for the licence, including~~
 - ~~(i) the duration of the licence,~~
 - ~~(ii) the maximum daily, annual and term quantities of gas proposed to be imported,~~

- ~~(iii) if applicable, the tolerance levels that are necessary to accommodate temporary operating conditions, and~~
- ~~(iv) the points of importation of the gas into Canada;~~
- ~~(b) information respecting the applicant's gas supply supporting the proposed importation, including~~
 - ~~(i) a summary of the quantities of gas under contracts for the purchase of gas, including the total daily and annual volumes and reserves under those contracts, and the termination date for each of those contracts, and~~
 - ~~(ii) a copy of each pro forma contract for each type of gas purchase contract;~~
- ~~(c) information respecting the applicant's gas market, including~~
 - ~~(i) details of the applicant's gas import purchase, including~~
 - ~~(A) a copy of every gas import purchase contract for the proposed importation, and~~
 - ~~(B) a detailed summary of the terms and conditions of every such contract, and~~
 - ~~(ii) a description of the market to be served by the proposed importation;~~
- ~~(d) details of the transportation arrangements pertaining to the proposed importation, including~~
 - ~~(i) the details and status of all contractual arrangements for the movement of the gas in and outside Canada,~~
 - ~~(ii) a copy of every transportation contract for the movement of the gas in Canada, and~~
 - ~~(iii) a description of any existing or proposed gathering, storage or transmission facility, and of any new facility other than a gathering, storage or transmission facility, that is required to move the gas to market, whether the facility is, or will be, in or outside Canada,~~
- ~~(e) information respecting the potential environmental effects of the proposed importation and any social effects that would be directly related to those environmental effects; and~~
- ~~(f) a copy of, or details of the status of, each approval or authorization of a federal, provincial or state government pertaining to~~
 - ~~(i) the removal of gas from the country of production,~~
 - ~~(ii) the importation of gas into a province,~~
 - ~~(iii) transportation services,~~
 - ~~(iv) tariffs and tolls,~~
 - ~~(v) facilities,~~
 - ~~(vi) environmental reviews, and~~
 - ~~(vii) contractual arrangements necessary for the importation of gas.~~

Terms and Conditions of Licences for Exportation ~~and Importation~~

14. The following are matters in respect of which terms and conditions may be included in any licence for the exportation ~~or importation~~ of gas:

- ~~(a) the duration of the licence;~~
- ~~(b) the period within which the exportation ~~or importation~~ of the gas must commence in order for the licence to remain in effect;~~
- ~~(c) the term quantities of gas that may be exported or imported;~~
- ~~(d) the maximum monthly, annual and term quantities of gas that may be exported ~~or imported, for any daily, monthly, annual or other appropriate period;~~~~

- (e) if applicable, any tolerance levels that are necessary to accommodate temporary operating conditions;
- (f) the points of exportation of the gas from Canada; and ~~or of importation of the gas into Canada; and~~
- ~~(g) the environmental requirements that must be met for the licence to take or remain in effect.~~

Orders for Exportation ~~or Importation~~

15. Where the Board determines that an application for an order for the exportation ~~or importation~~ of gas contains all the information necessary to dispose of the application, the Board may issue an order authorizing a person

(a) to export gas

(i) for a period not exceeding two year; or, ~~or~~

(ii) for a period exceeding two years but not exceeding 20 years, in quantities of not more than 30,000 m³ per day.

~~(b) to import gas~~

~~(i) for a period not exceeding two years, or~~

~~(ii) for a period exceeding two years but not exceeding 20 years, in quantities of not more than 30,000 m³ per day; or~~

~~(c) to export gas for subsequent import or to import gas for subsequent export for a period not exceeding 25 years.~~

Terms and Conditions of Orders for Exportation ~~or Importation~~

16. The following are matters in respect of which terms and conditions may be included in any order issued under section 15:

(a) the duration of the order;

(b) if applicable, the tolerance levels that are necessary to accommodate temporary operating conditions;

~~(c) the requirement that the holder of the order must file with the Board, within a specified period, evidence of each approval or authorization of a federal, provincial or state government pertaining to~~

~~(i) the removal of gas from a province or the country of production,~~

~~(ii) the importation of gas into the country of destination or into a province,~~

~~(iii) transportation services,~~

~~(iv) tariffs and tolls,~~

~~(v) facilities,~~

~~(vi) environmental reviews, and~~

~~(vii) contractual arrangements necessary for the exportation or importation of gas;~~

(d) where the order authorizes the exportation of gas,

(i) the maximum ~~daily,~~ monthly, annual and term quantities of gas that may be exported,

(ii) the points of exportation of the gas from Canada,

(iii) the period within which the exportation of gas must commence in order for the order to remain in effect, and

~~(iv) the exportation of gas on a firm or interruptible basis;~~

~~(e) where the order authorizes the importation of gas,~~

- ~~(i) the maximum daily, monthly, annual and term quantities of gas that may be imported,~~
- ~~(ii) the points of importation of the gas into Canada,~~
- ~~(iii) the period within which the importation of gas must commence in order for the order to remain in effect, and~~
- ~~(iv) the importation of gas on a firm or interruptible basis;~~
- ~~(f) where the order authorizes the exportation of gas for subsequent importation,~~
- ~~(i) the maximum daily, monthly, annual and term quantities of gas that may be exported and subsequently imported,~~
- ~~(ii) the points of exportation and subsequent importation of gas,~~
- ~~(iii) the period within which the exportation and subsequent importation of gas must commence in order for the order to remain in effect,~~
- ~~(iv) the exportation and subsequent importation of gas on a firm or interruptible basis,~~
- ~~(v) the balancing of quantities to be exported and subsequently imported on a thermally equivalent basis, and~~
- ~~(vi) the injection, storage and withdrawal of gas from storage facilities;~~
- ~~(g) where the order authorizes the importation of gas for subsequent exportation,~~
- ~~(i) the maximum daily, monthly, annual and term quantities of gas that may be imported and subsequently exported,~~
- ~~(ii) the points of importation and subsequent exportation of gas,~~
- ~~(iii) the period within which the importation and subsequent exportation of gas must commence in order for the order to remain in effect,~~
- ~~(iv) the importation and subsequent exportation of gas on a firm or interruptible basis,~~
- ~~(v) the balancing of quantities to be imported and subsequently exported on a thermally equivalent basis, and~~
- ~~(vi) the injection, storage and withdrawal of gas from storage facilities;~~
- ~~(h) the environmental requirements that must be met for the order to take or remain in effect; and~~
- (i) the requirement that the holder of the order comply with
 - (i) the Act and any regulation made under it, and
 - (ii) any order that applies to the holder of the order made under the Act.

Amendments to Gas Export Sales Contracts and Gas Import Purchase Contracts

17. (1) In this section,

~~“gas export sales contract” means a contract, other than a third party contract, for the sale of gas between~~

~~(a) the holder of a licence and the importer,~~

~~(b) the holder of a licence and the vendor, where the holder or an affiliate or subsidiary of the holder is also the importer, or~~

~~(c) the holder of a licence and the importer and between the holder and the vendor, where the holder is an affiliate or subsidiary of the importer and of the vendor; (*contrat de vente de gaz à l’exportation*)~~

~~“holder of a licence” means the person who holds a licence for the exportation of gas; (*titulaire d’une licence*)~~

~~“importer” means the importer of gas in the country of destination of the gas; (*importateur*)~~

~~“third party contract” means a contract for the sale of gas contracted, under a gas export sales contract to a third party, by the holder of a licence or the importer of the gas, where~~

~~(a) the sale to the third party is for a term of less than two years,~~

~~(b) the importer is physically unable to take the gas for its market, and~~

~~(c) the gas export sales contract contains provisions allowing for the sale of the gas to a third party; (*contrat avec un tiers*)~~

~~“vendor” means the person from whom gas is purchased. (*vendeur*)~~

~~(2) Unless otherwise authorized by the Board, the holder of a licence shall, within 30 days after execution, file with the Board a copy of every gas export sales contract pertaining to the exportation of gas authorized by the licence and of every amendment, agreement or change pertaining thereto.~~

~~(3) The holder of a licence shall include with the copy filed pursuant to subsection (2) a detailed summary of every gas export sales contract and of every amendment, agreement or change pertaining thereto.~~

~~(4) No holder of a licence shall, under the licence, export gas under a gas export sales contract, or an amendment, an agreement or a change in relation to the gas export sales contract, unless the contract, amendment, agreement or change has been approved by the Board in accordance with subsection (5).~~

~~(5) The Board may approve a contract, amendment, agreement or change if the Board determines that gas will continue to be exported in accordance with the terms and conditions of the licence.~~

~~(6) On the request of the Board, the holder of a licence shall file with the Board, within 30 days of its execution, a copy of any contract, and any amendment, agreement or change in relation to that contract, that pertains to the exportation of gas authorized by the licence, including any third party contract but excluding a gas export sales contract.~~

~~(7) [Repealed, SOR/2000-256, s. 6]~~

~~**18.**(1) In this section,~~

~~“exporter” means the exporter of gas in the country of production of the gas; (*exportateur*)~~

~~“gas import purchase contract” means a contract, other than a third party contract, for the purchase of gas between~~

~~(a) the holder of a licence and the exporter, or~~

~~(b) the holder of a licence and the resale customer in Canada, where the holder or an affiliate or subsidiary of the holder is also the exporter;~~

~~(*contrat d’achat de gaz d’importation*)~~

~~“holder of a licence” means the person who holds a licence for the importation of gas; (*titulaire d’une licence*)~~

~~“third party contract” means a contract for the sale of gas contracted, under a gas import purchase contract to a third party, by the holder of the licence or by the exporter of the gas, where~~

~~(a) the sale to the third party is for a term of less than two years,~~

~~(b) the holder of the licence is physically unable to take the gas for its market, and~~

~~(c) the gas import purchase contract contains provisions allowing for the sale of the gas to a third party. (*contrat avec un tiers*)~~

~~(2) Unless otherwise authorized by the Board, the holder of a licence shall, within 30 days after execution, file with the Board a copy of every gas import purchase contract pertaining to the importation of gas authorized by the licence and every amendment, agreement or change pertaining thereto.~~

~~(3) The holder of a licence shall include with the copy filed pursuant to subsection (2), a detailed summary of every gas import purchase contract and of every amendment, agreement or change pertaining thereto.~~

~~(4) No holder of a licence shall, under the licence, import gas under a gas import sales contract, or an amendment, an agreement or a change in relation to the gas import sales contract, unless the contract, amendment, agreement or change has been approved by the Board in accordance with subsection (5).~~

~~(5) The Board may approve a contract, amendment, agreement or change if the Board determines that gas will continue to be imported in accordance with the terms and conditions of the licence.~~

~~(6) On the request of the Board, the holder of a licence shall file with the Board, within 30 days of its execution, a copy of any contract, and any amendment, agreement or change in relation to that contract, that pertains to the importation of gas authorized by the licence, including any third party contract but excluding a gas import sales contract.~~

(7) [Repealed, SOR/2000-256, s. 7]

DIVISION II

PROPANE, BUTANES AND ETHANE

Exemption

19. The following transactions are exempt from the operation of Part VI of the Act:

- (a) the importation of any propane, butanes or ethane;
- (b) the exportation of any propane, butanes or ethane, where
 - (i) the exportation is for subsequent import, or
 - (ii) the propane, butanes or ethane have previously been imported into Canada; and
- (c) the exportation of any propane where the propane is carried by motor vehicle in their own tanks for their consumption.

Information to be Furnished by Applicants for Licences for Exportation

20. An applicant for a licence for the exportation of propane, butanes or ethane shall furnish to the Board all the information that is necessary for the Board to dispose of the application, including, unless otherwise authorized by the Board,

- (a) the terms that the applicant is requesting for the licence, including
 - (i) the duration of the licence,
 - (ii) the maximum ~~daily~~, monthly, annual and term quantities of propane, butanes or ethane proposed to be exported and the average heating values of those quantities, and
 - ~~(iii) the points of exportation of the propane, butanes or ethane from Canada~~
 - (iii) if applicable, the tolerance levels that are necessary to accommodate temporary operating conditions;
- (b) ~~information respecting the applicant's~~ source of the propane, butanes or ethane proposed to be exported; ~~supply supporting the proposed~~

exportation, including

- (i) a summary of the quantities of propane, butanes or ethane under contract and the average heating values of those quantities,
 - (ii) a copy of every propane, butanes or ethane supply contract supporting the proposed exportation,
 - (iii) the name and location of each pool, field or area that contributes to the propane, butanes or ethane supply of the applicant, details of the applicant's contracted or working interest therein and the name and location of the plant where propane, butanes or ethane are being produced,
 - (iv) an estimate of the gas reserves and the volume of extractable propane, butanes or ethane in each pool, field or area that contributes to the propane, butanes or ethane supply of the applicant,
 - (v) supporting data for each estimate referred to in subparagraph (iv),
 - (vi) basic gas deliverability data for each pool, field or area that contributes to the propane, butanes or ethane supply of the applicant,
 - (vii) a table showing total productive capacity, constrained only by existing and anticipated surface facilities, and
 - (viii) a table showing the ways in which the applicant plans to produce gas from each pool, field or area that contributes to the propane, butanes or ethane supply of the applicant, in order to obtain quantities of propane, butanes or ethane necessary to meet the applicant's requirements for the duration of the licence;
- (c) information respecting the applicant's propane, butanes or ethane market, including
- (i) details of the applicant's propane, butanes or ethane export sale and a copy of every export sales contract for the proposed exportation, and
 - (ii) a description of the export market to be served by the proposed exportation;
- (d) details of the transportation arrangements pertaining to the proposed exportation, including
- (i) the details and status of all contractual arrangements for the movement of the propane, butanes or ethane in and outside Canada,
 - (ii) a copy of every transportation contract for the movement of the propane, butanes or ethane in Canada, and
 - (iii) a description of any existing or proposed gathering, storage or transmission facility, and of any new facility other than a gathering, storage or transmission facility, that is required to move the gas to market, whether the facility is, or will be, in or outside Canada,
- (e) information respecting the potential environmental effects of the proposed exportation and any social effects that would be directly related to those environmental effects; and
- (f) a copy of, or details of the status of, each approval or authorization of a federal, provincial or state government pertaining to
- (i) the removal of propane, butanes or ethane from a province,
 - (ii) the importation of propane, butanes or ethane into the country of destination,
 - (iii) transportation services,
 - (iv) tariffs and tolls,
 - (v) facilities,
 - (vi) environmental reviews, and
 - (vii) contractual arrangements necessary for the exportation of propane, butanes or ethane.

- (c) a description of the implications of the proposed export on the ability of Canadians to meet their propane, butanes or ethane requirements;
- (d) the period within which the proposed exportation must commence in order for the licence to remain in effect; and
- (e) the names and contact information of the applicant and any authorized representative of the applicant.

Terms and Conditions of Licences for Exportation

21. The following are matters in respect of which terms and conditions may be included in any licence for the exportation of propane, butanes or ethane:

- (a) the duration of the licence;
- (b) the period within which the exportation of propane, butanes or ethane must commence in order for the licence to remain in effect;
- (c) the ~~daily,~~ maximum monthly, annual and term quantities of propane, butanes or ethane that may be exported;
- (d) the points of exportation of the propane, butanes or ethane from Canada; ~~and~~
- ~~(e) the environmental requirements that must be met in order for the licence to take or remain in effect.~~
- (e) If applicable, the tolerance levels that are necessary to accommodate temporary operating conditions; and

Orders for Exportation

22. Where the Board determines that an application for an order for the exportation of propane, butanes or ethane contains all the information necessary to dispose of the application, the Board may issue an order authorizing a person

- (a) if the application is in respect of propane or butanes, to export propane or butanes for a period of not more than ~~one~~ two years; and
- (b) where the application is in respect of ethane, to export ethane for a period not exceeding two years.

Terms and Conditions of Orders for Exportation

23. The following are matters in respect of which terms and conditions may be included in any order issued under section 22:

- (a) the duration of the order;
- ~~(b) the requirement that the holder of the order must file with the Board, within a specified period, evidence of each approval or authorization of a federal, provincial or state government pertaining to~~
 - ~~(i) the removal of propane, butanes or ethane from a province,~~
 - ~~(ii) the importation of propane, butanes or ethane into the country of destination,~~
 - ~~(iii) transportation services,~~
 - ~~(iv) tariffs and tolls,~~
 - ~~(v) facilities,~~
 - ~~(vi) environmental reviews, and~~
 - ~~(vii) contractual arrangements necessary for the exportation of propane, butanes or ethane;~~
- (b) if applicable, the tolerance levels that are necessary to accommodate temporary operating conditions;

- (c) the period within which the exportation must commence in order for the order to remain in effect;
- (d) the ~~daily~~, maximum monthly, annual and term quantities of propane, butanes or ethane that may be exported;
- (e) the points of exportation of the propane, butanes or ethane from Canada;
- ~~(f) the environmental requirements that must be met in order for the order to take or remain in effect; and~~
- (g) the requirement that the holder of the order comply with
 - (i) the Act and any regulation made under it, and
 - (ii) any order that applies to the holder of the order made under the Act.

PART III

OIL

EXEMPTION

24. The following transactions are exempt from the operation Part VI of the Act:

- (a) the importation of any oil; and
- (b) the exportation of any oil
 - (i) that is necessary to effect deliveries of oil by pipeline to consignees in accordance with normal pipeline operating practices,
 - (ii) used for exploration, drilling and production operations in the offshore areas over which Canada exercises jurisdiction,
 - (iii) carried by motor vehicles, aircraft, locomotives and ships in their own tanks for their consumption, ~~or~~
 - (iv) that has previously been imported into Canada, ~~or except where the oil is refined petroleum products.~~
 - (v) where the exportation is for subsequent import.

INFORMATION TO BE FURNISHED BY APPLICANTS FOR LICENCES FOR EXPORTATION

25. Every applicant for a licence for the exportation of ~~oil, other than a licence for the exportation of light crude oil or heavy crude oil,~~ refined petroleum products shall furnish to the Board all the information that is necessary for the Board to dispose of the application, including, unless otherwise authorized by the Board,

- (a) the terms that the applicant is requesting for the licence, including
 - (i) the duration of the licence, and
 - (ii) the ~~daily~~, annual and term quantities of ~~oil~~ refined petroleum products proposed to be exported, ~~and~~
 - ~~(iii) the points of exportation of the oil from Canada;~~
- (b) ~~information respecting the applicant's oil~~ source of refined petroleum products proposed to be exported; supply supporting the proposed exportation, including
 - ~~(i) a summary of the quantities of oil under every oil supply contract,~~
 - ~~(ii) a copy of every oil supply contract,~~

- ~~(iii) the name and location of each pool, field or area that contributes to the oil supply of the applicant and the details of the applicant's contracted or working interest therein,~~
- ~~(iv) an estimate of the oil reserves in each pool, field or area that contributes to the oil supply of the applicant,~~
- ~~(v) supporting data for each estimate referred to in subparagraph (iv),~~
- ~~(vi) basic productive capacity data for each pool, field or area that contributes to the oil supply of the applicant, and~~
- ~~(vii) a table showing anticipated annual production for each pool, field or area that contributes to the oil supply of the applicant, and the total annual production during the licence;~~
- ~~(c) information respecting the applicant's oil market, including~~
 - ~~(i) details of the applicant's oil export sale, including a copy of every oil export sales contract for the proposed exportation, and~~
 - ~~(ii) a description of the export market to be served by the proposed exportation;~~
- ~~(d) details of the transportation arrangements pertaining to the proposed exportation of oil, including a description of any existing or proposed gathering, storage or transmission facility, and of any new facility other than a gathering, storage or transmission facility, that is required to move the oil to market, whether the facility is, or will be, in or outside Canada;~~
- ~~(e) information respecting the potential environmental effects of the proposed exportation and any social effects that would be directly related to those environmental effects; and~~
- ~~(f) a copy of, or details of the status of, each approval or authorization of a federal, provincial or state government pertaining to~~
 - ~~(i) the importation of oil into the country of destination,~~
 - ~~(ii) transportation services,~~
 - ~~(iii) tariffs and tolls,~~
 - ~~(iv) facilities,~~
 - ~~(v) environmental reviews, and~~
 - ~~(vi) contractual arrangements necessary for the exportation of oil.~~
- (c) a description of the implications of the proposed export on the ability of Canadians to meet their refined petroleum products requirements;
- (d) the period within which the proposed exportation must commence in order for the licence to remain in effect; and,
- (e) the names and contact information of the applicant and any authorized representative of the applicant.

25.1 Every applicant for a licence for the exportation of ~~light crude oil or heavy~~ crude oil shall furnish to the Board all the information that is necessary for the Board to dispose of the application, including, unless otherwise authorized by the Board,

- ~~(a) the terms that the applicant is requesting for the licence, including~~
 - ~~(i) the duration of the licence, and~~
 - ~~(ii) the ~~daily,~~ annual and term quantities of oil proposed to be exported, ~~and~~~~
 - ~~(iii) the points of exportation of the oil from Canada;~~
- ~~(b) information respecting the applicant's oil market, including~~
 - ~~(i) the details of the applicant's oil export sale, and~~

- ~~(ii) a copy of every oil export sales contract for the proposed exportation;~~
- ~~(c) information respecting the potential environmental effects of the proposed exportation and any social effects that would be directly related to those environmental effects;~~
- ~~(d) a copy of, or details of the status of, each approval or authorization of a federal, provincial or state government as pertaining to environmental reviews; and~~
- ~~(e) a description detailing the manner in which the applicant~~
- ~~(i) has informed those persons who have declared an interest in buying oil for consumption in Canada of the quantities and grades of oil available for sale, and~~
- ~~(ii) has given those persons who have demonstrated an intention to buy oil for consumption in Canada, after having been so informed, an opportunity to purchase oil on terms and conditions, including price, as favourable as the terms and conditions specified in the application.~~
- (b) the source of the oil proposed to be exported;
- (c) a description of the implications of the proposed export on the ability of Canadians to meet their oil requirements;
- (d) the period within which the proposed exportation must commence in order for the licence to remain in effect; and
- (e) the names and contact information of the applicant and any authorized representative of the applicant.

LICENCES FOR EXPORTATION

26. (1) ~~Subject to subsection (2),~~ the Board may, after ~~holding a public hearing and~~ obtaining the approval of the Governor in Council under section 4, issue a licence authorizing any person
- ~~(a) to export heavy crude oil for a period exceeding two years but not exceeding 25 years; and~~
 - ~~(b) to export oil, other than heavy crude oil, refined petroleum products for a period exceeding one two years but not exceeding 25 years.~~
- ~~(2) The Board may issue a licence for the exportation of refined petroleum products, resulting from an oil processing arrangement of imported oil, for a period exceeding one year but not exceeding 25 years, without holding a public hearing.~~
- ~~(3) For the purposes of subsection (2), "oil processing arrangement of imported oil" means a commercial arrangement whereby oil is imported for processing or refining at a refinery in Canada, and the refined petroleum products obtained or derived therefrom, or from a quantity of other oil determined by the Board to be comparable thereto, are to be exported from Canada.~~

TERMS AND CONDITIONS OF LICENCES FOR EXPORTATION

27. The following are matters in respect of which terms and conditions may be included in any licence for the exportation of oil:
- ~~(a) the duration of the licence;~~
 - ~~(b) the period within which the exportation of the oil must commence in order for the licence to remain in effect;~~
 - ~~(c) the total quantity monthly, annual and term quantities of oil that may be exported;~~
 - ~~(d) the points of exportation of the oil from Canada; and~~
 - ~~(e) the environmental requirements that must be met in order for the licence to take or remain in effect.~~

ORDERS FOR EXPORTATION

28. Where the Board determines that an application for an order for the exportation of oil contains all the information necessary to dispose of the application, the Board may issue an order authorizing a person

- (a) to export ~~heavy~~ crude oil for a period not exceeding two years; or
- (b) to export ~~oil, other than heavy crude oil,~~ refined petroleum products for a period not exceeding ~~one~~ two years.

TERMS AND CONDITIONS OF ORDERS FOR EXPORTATION

29. The following are matters in respect of which terms and conditions may be included in any order issued under section 28:

- (a) the duration of the order;
- (b) the period within which the exportation of the oil must commence in order for the order to remain in effect;
- ~~(c) the requirement that a contract or an agreement that the holder of the order enters into for the exportation of oil for a period of more than one month must relieve the holder of the order of any obligation to export oil under the contract or agreement to the extent that exportations are restricted by or under an Act of Parliament or a prerogative of the Crown;~~
- (d) the ~~total~~ maximum monthly, annual and term quantity of oil that may be exported;
- (e) the points of exportation of the oil from Canada; and
- ~~(f) the environmental requirements that must be met in order for the order to take or remain in effect; and~~
- (g) the requirement that the holder of the order comply with
- (i) the Act and any regulation made under it, and
- (ii) any order that applies to the holder of the order made under the Act.

~~Schedule I~~

~~Summary of Contract Terms and Conditions~~

~~Schedule II~~

~~Status Sheet for Contractual Arrangements and Regulatory Approvals and Authorizations~~