

23 ELIZABETH II

CHAPTER 15

An Act respecting oil and gas in Indian lands

[Assented to 20th December, 1974]

Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

SHORT TITLE

1. This Act may be cited as the *Indian Oil and Gas Act*.

INTERPRETATION

2. In this Act,
“gas” means natural gas that is or can be produced from a well, both before and after it has been subjected to any processing, and includes marketable gas and all fluid components not defined as oil;

“Indian lands” means lands reserved for the Indians, including any interests therein, surrendered in accordance with the *Indian Act* and includes any lands or interests in lands described in any grant, lease, permit, licence or other disposition referred to in section 6;

“Minister” means the Minister of Indian Affairs and Northern Development;

“oil” means crude oil and all other hydrocarbons, regardless of gravity, that are or can be produced from a well in liquid form including crude bitumen but excluding condensate.

3. For greater certainty, subsections 31(1) to (4), 31(9), 31(11), 43(2) and 43(3) and section 45 of the *Indian Oil and Gas Regulations*, expressed to have been made pursuant to paragraph 57(c) of the *Indian Act* by Order in Council P.C. 1974-732 on March 28, 1974, shall for all purposes have and continue to have, until revoked by the Governor in Council, the same force and effect as if they had been made on that day pursuant to an Act of Parliament that authorized the making of such provisions and any acts by the Minister pursuant to such provisions shall be deemed to have been validly done.

4. The Governor in Council may make regulations
 - (a) respecting the granting of leases, permits and licences for the exploitation of oil and gas in Indian lands and the terms and conditions thereof;
 - (b) respecting the disposition of any interest in Indian lands necessarily incidental to the exploitation of oil and gas in such lands and the terms and conditions thereof;
 - (c) providing for the seizure and forfeiture of any oil or gas taken in contravention of any regulation made under this section or any lease, licence or permit granted under such regulations;
 - (d) prescribing the royalties on oil and gas obtained from Indian lands;
 - (e) prescribing the penalty not exceeding five thousand dollars that may be imposed

on summary conviction for contravention of any regulation made under this section or failure to comply with any lease, permit or licence granted pursuant to any regulation under this section; and

(f) generally for carrying out the purposes of this Act and for the exploitation of oil and gas in Indian lands.

5. (1) Notwithstanding any term or condition in any grant, lease, permit, licence or other disposition or any provision in any regulation respecting oil or gas or both oil and gas or the terms and conditions of any agreement respecting royalties in relation to oil or gas or both oil and gas, whether granted, issued, made or entered into before or after the coming into force of this Act, but

subject to subsection (2), all oil and gas obtained from Indian lands after the coming into force of this section is subject to the payment to Her Majesty in right of Canada, in trust for the Indian bands concerned, of the royalties prescribed from time to time by the regulations.

(2) The Minister may, with the approval of the council of the band concerned, enter into a special agreement with any person for a reduction or an increase, or a variation in the basis of calculation of royalties payable under subsection (1).

6. Every grant, lease, permit, licence or other disposition respecting the exploitation of oil or gas in Indian lands, whether granted, issued, made or entered into before or after the coming into force of this Act, and, without restricting the generality of the foregoing, any grant, lease, permit, licence or other disposition respecting oil or gas or both oil and gas issued or made or purported to be issued or made pursuant to any regulation or order under the *Indian Act* is deemed to be subject to any regulations made under this Act.

7. (1) The Minister, in administering this Act, shall consult, on a continuing basis, persons representative of the Indian bands most directly affected thereby.

(2) Notwithstanding anything herein contained, nothing in this Act shall be deemed to abrogate the rights of Indian people or preclude them from negotiating for oil and gas benefits in those areas in which land claims have not been settled.

8. Section 5 shall come into force on a day to be fixed by proclamation.