

be selected in accordance with prescribed guidelines for up to 50% of a permit area, with that portion not converted to lease reverting to the Crown.

An oil and gas exploration permit may be issued to any individual over 21 years of age or to any joint-stock company incorporated or licensed to do business in Canada, or incorporated in any province of Canada. Extraterritorial companies applying for permits in the Northwest Territories must be registered under the Companies Ordinance of the Northwest Territories. An oil and gas lease may be granted to a permittee where the Minister of the Department involved is satisfied that the applicant is a Canadian citizen over 21 years of age and will be the beneficial owner of the interest granted, or to a corporation where such corporation is incorporated in Canada, and where the Minister is satisfied that at least 50% of the issued shares of the corporation are beneficially owned by Canadian citizens or that the shares of the corporation are listed on a recognized Canadian stock exchange and that Canadians will have an opportunity of participating in the financing and ownership of the corporation, or the operation is wholly owned by a corporation that meets either of these two requirements.

The Oil and Gas Production and Conservation Act provides for comprehensive control over all oil and gas operations in the territories and off-shore regions including such matters as safety, the prevention of waste and pollution, production, conservation, storage, transmission, and unitization of oil and gas fields. An Oil and Gas Committee of five members appointed by the Governor in Council is empowered to hold inquiries, to hear appeals, and to make orders in connection therewith.

Federally owned mineral rights within the provinces that are available for development (except those in Indian lands) are administered by the Department of Energy, Mines and Resources under regulations promulgated pursuant to the Public Lands Grants Act.

12.3.4 Provincial mining laws and regulations

In general, all Crown mineral lands lying within the boundaries of the several provinces (with the exception of those within Indian reserves, national parks and other lands which are under the jurisdiction of the federal government) are administered by the respective provincial governments. The exception is Quebec where all mineral lands except those granted to individuals in the townships prior to 1880 are administered by the province; also, mining rights on federal lands in Quebec are administered by the province.

The granting of land in any province except Ontario no longer automatically carries with it mining rights upon or under such land. In Ontario, mineral rights are expressly reserved if they are not to be included. In Nova Scotia, no mineral rights belong to the owner of the land except those pertaining to gypsum, agricultural limestone and building materials, and the Lieutenant-Governor in Council may declare deposits of either limestone or building materials to be minerals. Such declaration is to be based on economic value or to serve the public interest. In such case, the initial privilege of acquiring the declared minerals lies with the owner of the surface rights who must then conform with the requirements of the Mines Act. In Newfoundland, mineral and quarry rights are expressly reserved. Some early grants in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Quebec and Newfoundland also included certain mineral rights. Otherwise, mining rights must be obtained separately by lease or grant from the provincial authority administering the mining laws and regulations. Mining activities may be classified as placer, general minerals (or veined minerals and bedded minerals), fuels (coal, petroleum and gas) and quarrying. Provincial mining regulations under these divisions are summarized in the following paragraphs.

In most provinces in which placer deposits occur there are regulations defining the size of placer holdings, the terms under which they may be acquired and held, and the royalties to be paid.

General minerals are sometimes described as quartz, lode, or minerals in place. With the exception of British Columbia, the most elaborate laws and regulations apply in this division. In all provinces except Alberta and Saskatchewan, a prospector's or miner's licence, valid for one year, must be obtained to search for mineral deposits, the licence being general in some areas but limited in others; a claim of promising ground of a specified size may then be staked. In Manitoba and British Columbia a licence is required only for staking and any number of dispositions may be staked under one licence. A claim must be recorded within a time limit and payment of recording fees made, except in Quebec where no fees are required. Work to a specified value per annum must be performed upon the claim for a period of up to ten years