

provide for the orderly development of fields, and for the conservation and prevention of waste of oil and natural gas within the reservoir and during production operations. Every well location must be approved by the Branch before drilling begins. All drilling and production operations are inspected frequently to ensure full compliance with regulations which govern such features as facilities and practices used, adequate plugging of abandoned wells, surface restoration of well sites, procedures for well-testing and measurement, disposal of produced water, fire protection and general conservation. Complaints of property damage resulting from drilling and producing operations and from geophysical work programs are investigated. Comprehensive records of all drilling and producing operations are maintained and are published or made available for study by anyone interested in oil or gas development in the province. Samples of bit cuttings as well as all core from every well drilled are retained for study. Detailed reservoir engineering and geological studies are carried out on the basis of technical information submitted from operating companies, as well as on information acquired through field work. Estimates of reserves of oil and natural gas are made annually. Crown owned oil and natural gas rights are evaluated prior to being disposed of by public tender.

12.3 Mining and petroleum legislation

12.3.1 Federal and departmental jurisdictions

Mineral rights vested in the Crown in right of Canada include those situated in the Yukon and Northwest Territories and off-shore underlying Canada's continental margins, as well as those underlying certain federally owned lands within the provinces.

The Supreme Court of Canada in its Opinion of November 1967 stated that, as between Canada and the province of British Columbia, Canada has proprietary rights in and legislative jurisdiction over "lands, including the mineral and other natural resources, of the sea bed and subsoil seaward from the ordinary low-water mark on the coast of the mainland and the several islands of British Columbia, outside the harbours, bays, estuaries and other similar inland waters, to the outer limit of the territorial sea of Canada, as defined in the Territorial Sea and Fishing Zones Act. . .". The Court also stated that the federal government has legislative jurisdiction "in respect of the mineral and other natural resources of the sea bed and subsoil beyond that part of the territorial sea of Canada. . . to a depth of 200 metres or, beyond that limit, to where the depth of the superjacent waters admits of the exploitation of the mineral and other natural resources of the said areas. . .".

The Department of Energy, Mines and Resources, through the Resource Management and Conservation Branch, is responsible for administration and enforcement of legislation and regulations relating to mineral resources off Canada's east and west coasts and in the Hudson Bay and Hudson Strait regions, as well as with respect to federally owned mineral rights that become available for development in the provinces. The Department of Indian Affairs and Northern Development, through the Northern Natural Resources and Environment Branch, is similarly responsible for mineral rights in the Yukon Territory and Northwest Territories and underlying Canada's high-Arctic off-shore regions.

Mineral rights of Indian reserves in the provinces are also vested in the Crown in the right of Canada and are administered by the Indian-Eskimo Economic Development Branch of the Department of Indian Affairs and Northern Development in consultation with the Indian band councils. The rights to a reserve may be taken up only after the Indian band has given approval for development through a referendum vote. The minerals are then administered under the Indian Oil and Gas Regulations or the Indian Mining Regulations, except in British Columbia where mining rights must be acquired under provincial statutes and the BC Indian Reserves Mineral Resources Agreement of 1943. The Indian Oil and Gas Regulations provide for disposal of rights by public tender in the form of permit or lease parcels. The Indian Mining Regulations, on the other hand, provide for disposal based on terms negotiated with the Indian band council. The Indian councils are thus assuming a greater share of responsibility in the management of their mineral resources. Officers of the Department of Indian Affairs and Northern Development are advisers to the Indian councils on mineral matters and are responsible for the administration and enforcement of relevant regulations.

12.3.2 Federal mining laws and regulations

Mining exploration is carried out in the Yukon Territory in accordance with the provisions of the Yukon Quartz Mining Act and the Yukon Placer Mining Act; in the Northwest