



NATIONAL ASSEMBLY OF QUÉBEC

SECOND SESSION

FORTY-SECOND LEGISLATURE

Bill 494

**An Act to prohibit petroleum
exploration and production**

Introduction

**Introduced by
Mr. Sylvain Gaudreault
Member for Jonquière**

**Québec Official Publisher
2021**

EXPLANATORY NOTES

The purpose of this bill is to prohibit petroleum exploration and production, brine production and the construction of new pipelines in the territory of Québec.

To that end, the bill revokes all petroleum exploration and production licences and all brine production authorizations as of the date of coming into force of this Act. Pipeline construction authorizations are also revoked.

In addition, no new petroleum storage licence or pipeline construction or use authorization may be issued as of that date.

Lastly, the bill includes regulatory, penal, amending and transitional provisions.

LEGISLATION AMENDED BY THIS BILL:

- Act respecting land use planning and development (chapter A-19.1);
- Petroleum Resources Act (chapter H-4.2);
- Act respecting Investissement Québec (chapter I-16.0.1);
- Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2);
- Environment Quality Act (chapter Q-2);
- Act respecting the land regime in the James Bay and New Québec territories (chapter R-13.1).

Bill 494

AN ACT TO PROHIBIT PETROLEUM EXPLORATION AND PRODUCTION

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

CHAPTER I

DEFINITIONS

I. In this Act,

“brine” means any natural aqueous solution containing more than 4% by weight of dissolved solids;

“oil” means crude oil, regardless of gravity, produced at a well head in liquid form and any other hydrocarbons, except coal and gas, and, in particular, hydrocarbons that may be extracted or recovered from deposits of oil sand, bitumen, bituminous sand, oil shale or from any other types of deposits on the subsoil;

“petroleum” means fossil oil or gas;

“pipeline” means any pipe or system of pipes, including associated facilities such as pumps, compressors, pumping stations and surface reservoirs, designed or used to gather or transport petroleum, except:

(1) lines used to transport and distribute gas, and petroleum equipment installations governed by the Building Act (chapter B-1.1); and

(2) pipes, including associated facilities, situated on the premises of an industrial enterprise and used for refining operations;

“underground reservoir” means a subsurface geological environment that contains or may contain petroleum in a natural porosity system or in a source rock;

“well” means any opening in the ground on a drilling site, other than a seismic shotpoint, that is made, is to be made or is in the process of being made for the production of petroleum, for the purpose of exploring for or obtaining petroleum, for the purpose of withdrawing water to inject into an underground formation, for the purpose of injecting gas, air, water or any other substance into an underground formation, or for any other purpose.

CHAPTER II

EXPLORATION, PRODUCTION AND STORAGE

DIVISION I

PROHIBITION OF PETROLEUM EXPLORATION AND PRODUCTION, AND OF BRINE PRODUCTION

2. No one may explore for petroleum or underground reservoirs, or produce petroleum or brine.

DIVISION II

REVOCACTION

3. Licences for petroleum exploration or production issued under the Petroleum Resources Act (chapter H-4.2) or deemed to have been issued under that Act are revoked.

Unless the holders of a licence so revoked hold a storage licence associated with it, they must remove all of their property from the territory that was subject to the licence within 30 days of revocation. On written application, the Minister may grant an extension subject to the conditions the Minister determines.

Once the time has expired, the property remaining on lands in the domain of the State forms part of that domain of right and may be removed by the Minister at the expense of the holder of the revoked licence.

4. Authorizations to produce brine or any other authorizations issued under Division V and subdivisions 1 to 6 of Division VI of Chapter III of the Petroleum Resources Act, or deemed to have been issued under that Act, are revoked.

5. The holder of a licence revoked under this Act retains the right of access to the territory subject to the licence for the purpose of completing the work related to protective, closure or site restoration measures.

DIVISION III

PERMANENT CLOSURE AND RESTORATION

6. The holder of a licence revoked under this Act must close the wells permanently in accordance with the Petroleum Resources Act, with the necessary modifications.

If the licence holder was granted a drilling authorization, the licence holder must proceed in accordance with the permanent well or reservoir closure and site restoration plan approved by the Minister and registered in the public register of real and immovable petroleum rights.

7. The Government may, by regulation, determine other conditions to be met to restore the territory subject to a licence or authorization revoked under this Act.

CHAPTER III

PIPELINE CONSTRUCTION

8. No one may apply for a pipeline construction authorization.

9. The Minister may revoke a pipeline construction authorization issued before (*insert the date of assent to this Act*) under the Petroleum Resources Act if there are

(1) an environmental or social problem of a serious nature; or

(2) dangerous or extreme weather conditions affecting the health or safety of persons or the safety of equipment.

The Government may, by regulation, determine the criteria that the Minister must take into account for the purposes of subparagraphs 1 and 2 of the first paragraph.

10. The holder of a revoked pipeline construction authorization must restore the land affected by the construction work. A government regulation determines the conditions for carrying out such restoration work.

CHAPTER IV

LIABILITY AND PROTECTIVE MEASURES

11. Despite the revocation of a licence or authorization under any of sections 3, 4 or 9 of this Act, the provisions respecting licence holders' liability and protective measures provided for in the Petroleum Resources Act continue to apply, with the necessary modifications.

12. The holder of a licence or authorization revoked under this Act must send to the Minister the documents the holder was required to submit to the Minister and pay the royalties payable under the Petroleum Resources Act and the regulations.

13. The holder of a licence or authorization revoked under this Act must send a report to the Minister within 90 days after the end of the work or activities. The Government determines, by regulation, the form of the report and the documents that must accompany it.

CHAPTER V
INSPECTION AND INVESTIGATION

DIVISION I
INSPECTION

14. Every person authorized by the Minister to act as an inspector may

(1) enter, at any reasonable time, any place where work or an activity governed by this Act or the regulations is carried on and inspect it;

(2) take any images of the premises and the property located there;

(3) examine and make copies of any document relating to that work or activity; and

(4) require any information or document relating to the work or activities governed by this Act and the regulations.

Any person having custody, possession or control of the documents referred to in subparagraphs 3 and 4 of the first paragraph must, on request, make them available to the inspector and facilitate their examination.

15. An inspector may, by a request sent by registered mail or personal service, require any person to communicate by registered mail or personal service, within a reasonable time specified by the inspector, any information or document relating to the application of this Act or the regulations.

16. The inspector may order the suspension of any work or activity at a well if there are reasonable grounds to believe that this Act or the regulations have been contravened.

The inspector authorizes resumption of the work or activity when they consider that the situation has been remedied.

DIVISION II
INVESTIGATION

17. The Minister or any person the Minister designates as investigator may inquire into any matter relating to the application of this Act or the regulations.

18. When an investigation is conducted to enable the Minister to make a decision affecting the rights of the holder of a licence or authorization revoked under this Act, the investigator sends the report containing the inspection findings to the Minister and must, at the same time, send a copy of it to the holder.

DIVISION III

IDENTIFICATION AND IMMUNITY

19. The inspector or investigator must, on request, produce identification and show the certificate of authority signed by the Minister.

20. In no case may judicial proceedings be taken against an inspector or investigator for acts performed in good faith in the exercise of their functions.

CHAPTER VI

PENAL PROVISIONS

21. Anyone who

(1) contravenes section 2, the second paragraph of section 3, section 6 or section 10, or

(2) contravenes a provision of a regulation whose violation constitutes an offence under paragraph 2 of section 22 is liable to a fine of \$1,000 to \$100,000 in the case of a natural person and \$3,000 to \$600,000 in any other case.

CHAPTER VII

REGULATORY PROVISIONS

22. In addition to the regulatory powers conferred on it by this Act, the Government may, by regulation,

(1) determine the liability to be assumed by the holder of a licence revoked under this Act; and

(2) determine the provisions of a regulation whose violation constitutes an offence.

CHAPTER VIII

AMENDING PROVISIONS

ACT RESPECTING LAND USE PLANNING AND DEVELOPMENT

23. Section 6 of the Act respecting land use planning and development (chapter A-19.1) is amended by striking out “or any territory incompatible with petroleum exploration, production and storage of petroleum within the meaning of section 141 of the Petroleum Resources Act (chapter H-4.2)” in subparagraph 7 of the first paragraph.

24. Section 53.7 of the Act is amended by striking out “or a territory incompatible with petroleum exploration, production and storage within the meaning of section 141 of the Petroleum Resources Act (chapter H-4.2)” in the first paragraph.

25. Section 246 of the Act is amended by striking out “exploration, production and” in the first paragraph.

PETROLEUM RESOURCES ACT

26. Section 6 of the Petroleum Resources Act (chapter H-4.2) is amended

(1) by inserting “fossil” after “means” in the definition of “petroleum”;

(2) by replacing “gas or petroleum” in the definition of “pipeline” by “petroleum”.

27. The heading of Chapter III of the Act is amended by striking out “EXPLORATION, PRODUCTION AND”.

28. Section 9 of the Act is replaced by the following section:

“**9.** No one may store petroleum without holding a storage licence.”

29. Section 10 of the Act is repealed.

30. Section 11 of the Act is amended

(1) by striking out the first paragraph;

(2) by replacing “For a storage licence, the territory” in the second paragraph by “The territory subject to a storage licence”.

31. Section 12 of the Act is amended by replacing “explore for, produce or store petroleum or to produce brine” in the third paragraph by “store petroleum”.

32. Section 15 of the Act is amended by replacing the first paragraph by the following paragraph:

“The storage rights conferred by a licence are immovable real rights.”

33. Division III of Chapter III of the Act, comprising sections 16 to 40, is repealed.

34. The heading of Division IV of Chapter III of the Act is amended by striking out “PRODUCTION LICENCES AND”.

35. Subdivisions 1 and 2 of Division IV of Chapter III of the Act are replaced by the following subdivisions:

“§1. — *Keeping a storage licence*

“**41.** The holder of a petroleum storage licence keeps the licence despite the revocation of the exploration licence. However, as of (*insert the date of assent to this Act*), no petroleum storage licence may be granted.

“§2. — *Board’s examination of an amendment to a petroleum storage project*

“**42.** Any amendment to a petroleum storage project must be submitted to the Board, which examines the project if it considers that the amendment is substantial.

“**43.** The Board may, at any time, require a licence holder to provide additional information in order to study certain matters more thoroughly or to undertake certain research which it considers necessary to complete its analysis of the amendment to the project.

“**44.** The Government determines, by regulation, the documents required for the application’s examination by the Board as well as the elements the Board must take into account and those it must rule on.

“**45.** The Board sends its decision to the Minister who submits it to the Government so that the Government may rule on the application for authorization provided for in section 31.5 of the Environment Quality Act (chapter Q-2).

“**46.** In order to perform the functions provided for in this subdivision, the Board may exercise the powers assigned to it under the Act respecting the Régie de l’énergie (chapter R-6.01), to the extent that they are not inconsistent with this Act.”

36. Section 51 of the Act is amended

- (1) by striking out the first paragraph;
- (2) by striking out “production or” in the third paragraph.

37. Section 52 of the Act is amended

- (1) by striking out “production or”;
- (2) by replacing “46” by “42”.

38. Sections 53 and 54 of the Act are amended by striking out all occurrences of “production or”.

39. Section 55 of the Act is repealed.

40. Section 56 of the Act is amended by striking out “production or” and “producing or”.

41. Sections 57 to 60 of the Act are amended by striking out all occurrences of “production or”.

42. Section 61 of the Act is amended

(1) by striking out “production or” in the first paragraph;

(2) by striking out the second paragraph.

43. Subdivision 4 of Division IV of Chapter III of the Act, comprising sections 62 to 64, is repealed.

44. Division V of Chapter III of the Act, comprising sections 68 to 71, is repealed.

45. Subdivisions 1 to 6 of Division VI of Chapter III of the Act, comprising sections 72 to 91, are repealed.

46. Section 92 of the Act is amended by adding the following paragraph at the end:

“The holder of a licence that has been revoked under the Act to prohibit petroleum exploration and production (*insert the year and chapter number of the Act*) is deemed to have obtained the Minister’s authorization.”

47. Subdivision 8 of Division VI of Chapter III of the Act, comprising section 100, is repealed.

48. Sections 101 to 108 of the Act are repealed.

49. Section 109 of the Act is amended by replacing the first paragraph by the following paragraph:

“The Minister may require the holder of a drilling authorization who has submitted to the Minister a permanent well or reservoir closure and site restoration plan to provide any additional guarantee, within the time the Minister specifies, if the Minister considers that it is no longer sufficient in view of the foreseeable costs of performing the work required under the plan.”

50. Section 112 of the Act is amended by replacing “101 to 105 and 108 to 110” by “109 and 110”.

51. Section 115 of the Act is amended by replacing “101” by “109”.

52. Divisions I and II of Chapter V of the Act, comprising sections 116 to 120, are repealed.

53. The heading of Division III of Chapter V of the Act is replaced by the following heading:

“CONSTRUCTION OR USE OF A PIPELINE”.

54. Section 121 of the Act is replaced by the following section:

“**121.** No pipeline construction or use authorization may be granted as of *(insert the date of assent to this Act)*.”

55. Section 125 of the Act is amended by replacing “46” by “42”.

56. Section 132 of the Act is amended by replacing “An exploration, production or storage” in the first paragraph by “A storage”.

57. Section 138 of the Act is amended by striking out “exploration, production and” in the first paragraph.

58. Section 141 of the Act is repealed.

59. Section 142 of the Act is amended by striking out “exploration-, production- or” in the introductory clause of the first paragraph.

60. Section 144 of the Act is amended by striking out paragraph 2.

61. Section 145 of the Act is amended by striking out the fifth paragraph.

62. Section 150 of the Act is amended by replacing “38, 39, 73, 76, 78, 80, 85, 88, 91, 92 and 121” in subparagraph 2 of the first paragraph by “92 and 122”.

63. Section 160 of the Act is replaced by the following section:

“**160.** Every decision rendered under the second paragraph of section 54, sections 61, 93 and 122 and the second paragraph of section 123 must be in writing and include reasons. It must be sent to the interested person.”

64. Section 187 of the Act is amended by replacing paragraph 2 by the following paragraph:

“(2) contravenes section 7 or 57, the third paragraph of section 58 or section 98 or 146.”

65. Section 188 of the Act is amended by replacing the first paragraph by the following paragraph:

“A monetary administrative penalty of \$500 in the case of a natural person and \$2,500 in any other case may be imposed on any person who contravenes any of sections 42, 65, 67 and 92.”

66. Section 189 of the Act is amended by striking out “108, 116.”.

67. Section 199 of the Act is amended by replacing paragraph 1 by the following paragraph:

“(1) contravenes section 7 or 57, the third paragraph of section 58 or section 98 or 146, or”.

68. Section 200 of the Act is amended by replacing “section 28, the first paragraph of section 37, section 38, 39, 46, 55 or 62, the first paragraph of section 64 or section 65, 67, 71, 72, 75, 77, 84, 87, 90 or 92” in the first paragraph by “any of sections 42, 65, 67 and 92”.

69. Section 202 of the Act is amended by striking out “, 108, 116”.

ACT RESPECTING INVESTISSEMENT QUÉBEC

70. Section 35.2 of the Act respecting Investissement Québec (chapter I-16.0.1) is amended, in paragraph 2,

(1) by replacing “or petroleum, the mining of the former or production of the latter” by “, its production or mining”;

(2) by striking out “or petroleum”.

ACT RESPECTING THE MINISTÈRE DES RESSOURCES NATURELLES ET DE LA FAUNE

71. Section 17.12.19 of the Act respecting the Ministère des Ressources naturelles et de la Faune (chapter M-25.2) is amended, in subparagraph 1 of the first paragraph,

(1) by replacing “an exploration, production or storage licence or an authorization to produce brine” by “a storage licence”;

(2) by striking out “, the royalties paid for petroleum and brine production,”.

72. Section 17.12.22 of the Act is amended

(1) by replacing paragraph 1 by the following paragraph:

“(1) the fees collected for a storage licence under the Petroleum Resources Act (chapter H-4.2) that are not credited to the fossil energy management component of the Natural Resources Fund;”;

(2) by striking out “the royalties paid for petroleum and brine production that are determined by the Government and” in paragraph 2.

ENVIRONMENT QUALITY ACT

73. Section 31.5 of the Environment Quality Act (chapter Q-2) is amended, in the second paragraph,

(1) by striking out “production or”;

(2) by replacing “45” by “42”.

ACT RESPECTING THE LAND REGIME IN THE JAMES BAY AND NEW QUÉBEC TERRITORIES

74. Section 89 of the Act respecting the land regime in the James Bay and New Québec territories (chapter R-13.1) is amended by striking out “or possible exploration for and production of petroleum on such lands”.

75. Section 173 of the Act is amended by striking out “or possible exploration for and production of petroleum on such lands”.

76. Section 191.68 of the Act is amended by striking out “or possible exploration for and production of petroleum on such lands”.

CHAPTER IX

TRANSITIONAL PROVISIONS

77. Despite section 3 of this Act, the monitoring committee established in accordance with the Petroleum Resources Act (chapter H-4.2) must be maintained until all the work required under the permanent well or reservoir closure and site restoration plan has been completed.

The particulars relating to the committee and determined by government regulation continue to apply.

78. The Government may, by regulation made within 18 months of the coming into force of this Act, enact any transitional measures required to carry out this Act.

79. The application of sections 3, 4 and 9 does not give entitlement to any compensation from the State following the effects of the revocation of a licence or of an authorization issued under the Petroleum Resources Act.

CHAPTER X

FINAL PROVISIONS

80. The Minister of Natural Resources and Wildlife is responsible for the administration of this Act.

81. This Act comes into force on (*insert the date of assent to this Act*).

