



NATIONAL ASSEMBLY OF QUÉBEC

FIRST SESSION

FORTY-SECOND LEGISLATURE

Bill 894

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

Introduction

**Introduced by
Madam Manon Massé
Member for Sainte-Marie–Saint-Jacques**

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EXPLANATORY NOTES

This bill prohibits petroleum exploration and production, and also brine production and pipeline construction, 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. The bill also makes it possible for pipeline construction authorizations to be revoked.

The bill furthermore provides that, as of its coming into force, no petroleum storage licences or authorizations to use a pipeline may be issued.

Lastly, regulatory, penal, amending and transitional provisions are introduced.

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);
- Act respecting the preservation of agricultural land and agricultural activities (chapter P-41.1);
- Environment Quality Act (chapter Q-2);
- Act respecting the land regime in the James Bay and New Québec territories (chapter R-13.1).

Bill 894

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 oil or fossil fuel 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

PROHIBITION OF PETROLEUM EXPLORATION AND PRODUCTION, AND OF BRINE PRODUCTION

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

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.

If the holder does not hold a storage licence, within the first year of the licence revocation, the holder must remove all of its property from the territory that was subject to the licence. 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 licence holder's expense.

4. Despite the revocation of a licence in accordance with section 3, the licence holder retains a right of access to the territory subject to the licence for the purpose of completing the work required under the permanent well or reservoir closure and site restoration plan.

5. Authorizations to produce brine or any other authorization issued under the Petroleum Resources Act or deemed to have been issued under that Act are revoked.

CHAPTER III

PERMANENT CLOSURE

6. A holder of a petroleum exploration licence or production licence issued under the Petroleum Resources Act must, upon revocation of the licence under section 3 of this Act, permanently close the wells and reservoirs and restore the site in accordance with this Act, with the necessary modifications.

If the licence holder was granted a drilling authorization, the licence holder must complete the work required under the permanent well or reservoir closure and site restoration plan submitted under section 101 of that Act.

7. The Government may, by regulation, determine other conditions to be met to restore territory subject to a licence or authorization issued under the Petroleum Resources Act following revocation of that licence or authorization under sections 3, 5 and 9 of this Act.

CHAPTER IV

PROHIBITION OF PIPELINE CONSTRUCTION

- 8.** No one may build a pipeline in the territory of Québec.
- 9.** Pipeline construction authorizations granted under the Petroleum Resources Act may be revoked.

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

CHAPTER V

LIABILITY AND PROTECTIVE MEASURES

- 10.** Despite revocation of a licence or authorization under section 3, 5 or 9 of this Act, the provisions respecting licence holders' liability and protective measures provided for in the Petroleum Resources Act continue to apply.

CHAPTER VI

PENAL PROVISIONS

- 11.** Anyone who

(1) contravenes section 2, the second paragraph of section 3, or section 9, or

(2) contravenes a provision of a regulation whose violation constitutes an offence under paragraph 2 of section 12,

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

- 12.** In addition to the other 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 issued under the Petroleum Resources Act following revocation of the licence; and

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

CHAPTER VIII

AMENDING PROVISIONS

ACT RESPECTING LAND USE PLANNING AND DEVELOPMENT

13. 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.

14. 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.

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

PETROLEUM RESOURCES ACT

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

- (1) by inserting “fossil fuel” before “gas” in the definition of “petroleum”;
- (2) by striking out “gas or” in the definition of “pipeline”.

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

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

18. Section 10 of the Act is repealed.

19. 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 covered by a storage licence”.

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

21. 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.”

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

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

24. 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. If the Board considers that the amendment is substantial, it examines it.

“**43.** The Board may, at any time, require a licence holder to provide additional information, 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).”

25. Section 51 of the Act is amended

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

26. Section 52 of the Act is amended

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

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

- 28.** Section 55 of the Act is repealed.
- 29.** Section 56 of the Act is amended by striking out “production or” and “producing or”.
- 30.** Sections 57 to 60 of the Act are amended by striking out all occurrences of “production or”.
- 31.** Section 61 of the Act is amended
- (1) by striking out “production or” in the first paragraph;
 - (2) by striking out the second paragraph.
- 32.** Subdivision 4 of Division IV of Chapter III of the Act, comprising sections 62 to 64, is repealed.
- 33.** Divisions V and VI of Chapter III of the Act, comprising sections 68 to 100, are repealed.
- 34.** Division II of Chapter V of the Act, comprising sections 116 to 120, is repealed.
- 35.** The heading of Division III of Chapter V of the Act is replaced by the following heading:
- “PIPELINE CONSTRUCTION OR USE”.
- 36.** Section 121 of the Act is replaced by the following section:
- “**121.** No authorization for pipeline construction or use may be granted as of (*insert the date of assent to this Act*).”
- 37.** Section 125 of the Act is amended by replacing “46” by “42”.
- 38.** Section 132 of the Act is amended by replacing “An exploration, production or storage” in the first paragraph by “A storage”.
- 39.** Section 134 of the Act is repealed.
- 40.** Section 135 of the Act is amended by replacing “, 131 or 134” by “or 131”.
- 41.** Section 138 of the Act is amended by striking out “exploration, production and” in the first paragraph.
- 42.** Section 141 of the Act is repealed.

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

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

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

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

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

47. 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, 100 or 146.”

48. 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 section 42, 65, 67 or 92.”

49. Section 199 of the Act is amended by striking out “or 29, the third paragraph of section 30, the second paragraph of section 31” and “80, 81,” in paragraph 1.

50. Section 200 of the Act is amended by replacing “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 “42, 65, 67 or 92”.

ACT RESPECTING INVESTISSEMENT QUÉBEC

51. 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 “, the mining or production of the substance”;

(2) by striking out “or petroleum”.

ACT RESPECTING THE MINISTÈRE DES RESSOURCES
NATURELLES ET DE LA FAUNE

52. 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” by “a storage”;

(2) by striking out “or an authorization to produce brine, the royalties paid for petroleum and brine production,”.

53. 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);”;

(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

54. 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

55. 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”.

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

57. 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

58. 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 determined by government regulation continue to apply.

59. 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.

60. The application of sections 3 and 5 does not give entitlement to any compensation from the State following the effects of the revocation of an exploration or petroleum production licence or of an authorization to produce brine under the Petroleum Resources Act.

CHAPTER X

FINAL PROVISIONS

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

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

