

*Canada Petroleum Resources Act*

**The Acting Speaker (Mr. Paproski):** The next motions, Motions Nos. 12 and 13, will be debated and voted on separately.

**Mr. Paul Gagnon (Calgary North)** moved:

Motion No. 12.

That Bill C-5, be amended in Clause 85 by striking out lines 24 and 25 at page 43 and substituting the following therefor:

"summary of its".

He said: Mr. Speaker, Clause 85 currently reads that any time an interest is being disposed of, a copy of the arrangement should be sent to the Minister. That means that any time a company wants to farm in land or farm out land, the entire agreement must be sent to Ottawa.

What do we mean by farming in and farming out? Normally, oil companies obtain mineral rights and they lower their risk by taking a smaller percentage in a number of tracts rather than a big percentage in one tract. The chances of finding commercial hydrocarbons, be it oil or gas, are much better if the oil company has an interest in 10 tracts than if it has an interest in just one. Consequently, as part of the normal process, leases are traded, interests are traded and farm ins and farm outs are given. This means that a work commitment is undertaken by one party so it acquires an interest.

As it now stands in the frontier areas, because of the depressed price of oil, there are not many contracts, so this causes no problem. However, let us look at the future. In the first half of 1986, world-wide production of oil has increased by 4.1 per cent or 2.1 million barrels. That is one-third more than Canada produces. Most of this added production came out of OPEC. When OPEC decides that it will raise the price again, we will have to meet our supply problems by going to the frontier lands. We will have to go to the Beaufort, the Hibernia and the Venture. Activity will pick up.

Currently, maybe only one contract per week is negotiated. By the end of the decade, that might be up to one per day. By the mid-1990s, it might be 10 per day. Pretty soon, the way the Bill currently reads, 10 contracts, each in excess of 100 pages, will land on a desk in Ottawa every day and someone will have to look at them and understand them. Pretty soon there will be a big Department trying to understand these complex relationships. Pretty soon there will be a warehouse to store all these things.

What I am proposing is very simple. Let the oil companies send a summary of the contract to Ottawa. We will know what is going on. A one-page summary can indicate that Company A will acquire an interest in Company B's acreage if it does such and such. This means less bureaucracy and less of a storage problem. I would point out that in other jurisdictions like Alberta, a summary is not even required, let alone the full contract. That is the thrust of this motion.

**Mr. McDermid:** Mr. Speaker, I rise on a point of order. Are we debating Motions Nos. 12 and 13 together?

**The Acting Speaker (Mr. Paproski):** No, separately.

**Mr. McDermid:** We are debating them separately?

**The Acting Speaker (Mr. Paproski):** Yes, we are debating them separately. The proposal was that Motions Nos. 12 and 13 be debated and voted on separately.

**Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources):** Mr. Speaker, the Government has taken a look at the amendment introduced by my friend, the Hon. Member for Calgary North (Mr. Gagnon). He has a very good point. The myriad of agreements that do take place in the energy industry could be mountainous and, no doubt, voluminous. However, having said that, I feel very strongly that there should be a provision in the Bill to permit the Minister, if he has questions about the summary which cannot be answered within it and he requires further information, to obtain the information he requires.

Although not directly accepting the amendment as proposed, the Government would be interested in accepting an amendment to the amendment which would do as I have suggested. It would require industry to send in summaries of agreements but would give the Minister permission to obtain further information if so required. We would be prepared to entertain that amendment to the amendment.

● (1600)

**Mr. Waddell:** I would like to speak to that.

**The Acting Speaker (Mr. Paproski):** The Chair will recognize the Hon. Member for Calgary South (Mrs. Sparrow).

**Mrs. Barbara Sparrow (Calgary South):** Mr. Speaker, I should like to move the following amendment to the amendment, and I am sure that the Hon. Member for Western Arctic (Mr. Nickerson) would second it. It reads:

That the amendment proposed by the Hon. Member for Calgary North be amended by striking out line 26 at page 43 of Clause 85 of Bill C-5 and substituting the following:

"terms and conditions or, on the request of the Minister, a copy of the agreement or arrangement".

Therefore Clause 85, starting at line 26 on page 43 would read:

arrangement to the Minister, together with a summary of its terms and conditions or, on the request of the Minister, a copy of the agreement or arrangement.

This reverses the onus. Only a summary would be required by an interest holder when a transfer, assignment, or another disposition takes place, unless the Minister physically requested a copy of the agreement or arrangement. I think the Hon. Member for Calgary North would agree that this would reduce the paperwork, and I think it would receive his support.

**The Acting Speaker (Mr. Paproski):** At this point I will recognize the Hon. Member for Vancouver—Kingsway (Mr. Waddell) and look at the amendment to see if it is in order.