

by the Canadian Parliament which dealt with the administration of oil and gas resources in Canada from 1867 were consolidated into The Dominion Lands Acts of 1886, which act and the regulations passed thereunder were amended from time to time as conditions changed.

During the interim period while the Canadian Government was administering the natural resources of the Northwest Territories and later of the Provinces of Alberta and Saskatchewan, certain of the mineral rights were granted to individuals or corporations. The Hudson's Bay Company in 1869 surrendered the vast tract of land (1,481,000 square miles) given it at the time its charter was granted but was allowed to retain lands around its trading posts and one and three-quarter sections in every township. In 1881, the Canadian Pacific Railway was granted some 25 million acres in the three Prairie Provinces; and the Calgary and Edmonton Railway Corporation was also granted considerable acreage carrying mineral rights at a later date. Of grants to individuals there have been two principal types: homestead lands granted prior to 1887 and Soldier Settlement Board lands granted following the First World War. Both of these types of land grants carried mineral rights with ownership. Other than their grants to companies and individuals, the Crown holds title. Today the Province of Alberta controls the petroleum and natural gas in nearly nine-tenths of the lands of Alberta and the Canadian Government controls the rights on certain other lands, such as Indian reserves and parks. In Saskatchewan, land grants to companies and individuals, plus land rights held by the Canadian Government amount to 30 per cent, and the Province therefore controls mineral rights on 70 per cent of the provincial area. In British Columbia almost all of the mineral rights are reserved to the Crown but in Manitoba the provincial government holds title to only 25 per cent. The freehold land owner has the right of control of his properties in his own jurisdiction and may dispose of or develop them in any manner he sees fit, provided that he complies with the conservation laws.

In summary, there are two types of land in Canada - public (Crown) and private (freehold), in so far as mineral rights are concerned. Legal title to all Crown lands within the provinces, except Indian lands and National Parks, rests with the respective provincial governments, whereas the Canadian Government owns and administers the National Parks, administers the Indian reserves, the Northwest Territories and Yukon, and owns all public lands in the Northwest Territories and the Yukon Territory. Although the pattern of mineral resources ownership varies somewhat across Canada, the law governing ownership of mineral rights in each region of Canada is certain. The surface owner can readily determine whether he holds the sub-surface mineral rights, as the legal history on mineral ownership is clear and well-defined. Thus oil companies can rely on known and undisputable laws regarding land ownership, and, being assured that property rights will not be subjected to unpredictable change, they can proceed with long-term planning and investment to develop the country's oil resources. The continuity of its legal tradition has been an important factor in attracting sufficient capital to Canada to provide much-needed aid in opening up its petroleum resources.

#### IV. Procedures Used in Acquiring Petroleum Rights in Western Canada

Each of the oil and gas producing provinces of Canada has a set of regulations relating to the granting of rights to explore and develop oil and gas-producing properties