

1960

c 160 Gas and Oil Leases Act

Ontario

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Bibliographic Citation

Gas and Oil Leases Act, SO 1966, c 160

Repository Citation

Ontario (1960) "c 160 Gas and Oil Leases Act," *Ontario: Revised Statutes*: Vol. 1960: Iss. 2, Article 35.

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CHAPTER 160

The Gas and Oil Leases Act

1. In this Act,

Interpre-
tation

- (a) "gas or oil lease" includes any agreement, whether by way of option, lease, grant or otherwise, granting the right to operate lands for the production and removal of natural gas or petroleum or both, except a grant to so operate where the amount or payment of the consideration therefor is not dependent upon the operation of such lands or upon the production of gas or oil or upon the amount of gas or oil produced, and "lessee" and "lessor" have a corresponding meaning and include heirs, successors, administrators, executors and assigns of the lessee or lessor, as the case may be;
- (b) "judge" means the judge of the county or district court of the county or district in which the land is situate. R.S.O. 1950, c. 155, s. 1.

2.—(1) Where the lessor of any land alleges that a lessee has made default under the terms of a gas or oil lease affecting the land in that,

Inquiry as
to default

- (a) he has failed to commence to drill a well for natural gas or petroleum and has failed to pay rentals in lieu thereof; or
- (b) having drilled a well for natural gas or petroleum, he has failed to operate the well and has failed to pay rentals, royalties or other remuneration,

and that the default has continued for a period of three years, the lessor may apply, upon affidavit, to a judge for an order declaring the lease void and vacating the registration thereof.

(2) The judge shall, in writing, appoint a time and place at which he will inquire and determine whether default has been made as aforesaid.

Judge to
inquire into
default

(3) A notice in writing of the time and place appointed, together with a copy of any affidavit used upon the application, shall be served upon the lessee either by delivering them

Notice of
inquiry

to him, leaving them at his residence or sending them to him by registered mail at his address, as indicated in the lease, or at his last known address, or in such other manner and at such other address as the judge directs, not less than thirty days before the return of the appointment.

Service of
appointment

(4) Where an assignment or transfer of the lease has been registered in the proper registry or land titles office, the appointment shall be served upon the assignee or transferee, instead of the original lessee, in the manner prescribed in subsection 3. R.S.O. 1950, c. 155, s. 2, *revised*.

Style of
proceedings

3. The proceedings shall be entitled in the county or district court of the county or district in which the land lies, and shall be styled:

"In the matter of, Lessor,
and, Lessee." R.S.O. 1950, c.
155, s. 3.

Where
lessee fails
to appear

4.—(1) If at the time and place appointed the lessee fails to appear and it appears to the judge that default as indicated in clause *a* or *b* of subsection 1 of section 2 has continued for a period of three years, he may, notwithstanding any provision in the gas or oil lease requiring the lessor to give notice to the lessee of any default, make an order declaring that the gas or oil lease is void and vacating the registration thereof.

Where lessee
appears

(2) If the lessee appears, the judge shall, in a summary manner, hear the parties and their witnesses and examine into the matter, and, if it appears to the judge that default as indicated in clause *a* or *b* of subsection 1 of section 2 has continued for a period of three years, he may, notwithstanding any provision in the gas or oil lease requiring the lessor to give notice to the lessee of any default, make an order declaring that the gas or oil lease is void and vacating the registration thereof.

Description
of land

(3) Every order shall contain a description of the land affected or a reference to the lease so terminated by its recorded number. R.S.O. 1950, c. 155, s. 4.

Irregularities
in
procedure

5. The judge has the same power to amend or excuse irregularities in the proceedings as he has in an action. R.S.O. 1950, c. 155, s. 5.

Drilling
not to be
taken into
account

6. Any drilling done or sought to be done and any rentals or other remuneration tendered but not accepted after the making of the application shall not be taken into account by the judge upon the hearing of the application. R.S.O. 1950, c. 155, s. 6.

7. An appeal lies to the Court of Appeal from the order of the judge granting or refusing an order under section 4. R.S.O. 1950, c. 155, s. 7.

8. A copy of any order made under section 4, certified by the clerk of the court under the seal of the court, shall, upon payment of the prescribed fee, be recorded by the proper registrar of the deeds or local master of titles and, in the case of a registry office, particulars thereof shall be entered in the proper abstract index. R.S.O. 1950, c. 155, s. 8, *revised*.

