



# Key Developments in Canadian private M&A law for the oil and gas industry - Q4 2015

March 14, 2016

Kevin Guenther, Andrew Beamer, Allison M. Sears, W. Chipman Johnston

The following is an overview of key developments in Canadian law and regulatory practice applicable to private M&A in the oil and gas industry from October 1, 2015 to December 31, 2015.

## Oil & Gas Regulatory

- [Alberta's Climate Change Advisory Panel released its report](#), calling for a carbon tax, oil sands emissions limits, phasing out coal-fired power plants and introducing an energy efficiency program. The provincial government adopted these recommendations, but offered few details on implementation.

## Litigation

- [A B.C. court ruled in favour](#) of Kinder Morgan by confirming that the City of Burnaby's by-laws cannot interfere with Kinder Morgan's existing rights (created by federal statute) to enter onto municipal lands to conduct surveys and studies for its Trans Mountain pipeline expansion project.
- [The Alberta Court of Appeal found](#) that certain gas leases had terminated because of an extended shut-in of a well. The leases permitted shut-ins without termination caused by events outside of the lessee's control (including the absence of a market), but the Court found that the shut-in was caused by the well's declining rates of production.
- [The Alberta Court of Appeal rejected](#) an aboriginal group's appeal of the AER's decision to issue regulatory licenses to Shell because the band failed to present specific evidence of the direct and adverse impact of the AER's decision.

## Tax

- [The Liberal government announced](#) that any changes it makes to the tax treatment of stock options will only affect stock options issued from the date these legislative changes are made. It is now unclear whether any changes will be made to option taxation.

## Employment

- [The Ontario Court of Appeal confirmed](#) that an employer can rely on the terms of an employment agreement that is entered into after the term of employment begins, but only if the employer provides fresh consideration for any new and material terms of the employment.
- [The Court found](#) that an employer's financial circumstances are not a relevant consideration in determining the period of reasonable notice for dismissal of an employee.

### **Key Stikeman Elliott Publications**

- [Tax Changes Will Affect Only New Stock Options](#) (November 20, 2015)
- [Alberta Announces New Climate Change Policy](#) (November 23, 2015)
- [Fresh Consideration Required](#) (December 21, 2015)
- [Hard Truth About Financial Hardship](#) (December 22, 2015)

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