

# *The Oil and Gas Conservation Act*

*being*

Chapter O-2 of *The Revised Statutes of Saskatchewan, 1978* (effective February 26, 1979) as amended by the *Statutes of Saskatchewan*, 1982-83, c.1; 1983, c.54; 1988-89, c.31; [1989-90, c.54](#); [1990-91, c.39](#); [1993, c.35](#); [1998, c.30](#); [2000, c.50](#); [2001, c.26](#); [2003, c.29](#); [2007, c.7](#); and [2011, c.11](#).

## **NOTE:**

**This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.**

# Table of Contents

	<b>Short title</b>		<b>PART III</b>
1	Short title		<b>Regulations and Orders</b>
	<b>Interpretation</b>	17	Powers of minister
2	Interpretation	17.01	Minister's orders for the protection of the environment
	<b>Purpose and Application of Act</b>	17.02	Service of order
3	Purpose of Act	17.03	Minister may carry out order
4	Crown bound	17.04	Power to take immediate action
	<b>PART I</b>	17.041	Entry on land re minister's order
	<b>Administration</b>	17.05	Inspections
5	Administration by ministry	17.051	Investigations
6	Jurisdiction and authority of minister	17.052	Copies admissible as evidence
6.1	Minister to determine matters	17.053	Entry on land re inspection and investigation
6.2	No appeal or review	17.06	Forfeiture of machinery, etc.
6.3	Repealed	17.1	Power re certain plans
7	Establishment of board	17.2	Paramountcy of orders
7.1	Employees and advisers	18	Power of Lieutenant Governor in Council
7.11	Referral by minister	18.1	Repealed
7.2	Referral where board not established	18.01	Regulations respecting security
7.21	Refusal to refer or hear	18.02	Regulations regarding electronic documents and information
7.3	Investigation by member, officer etc.	18.2	Regulations re oil and gas sales information
7.31	Inspections	18.3	Confidentiality
7.32	Investigations	18.4	Repealed
7.33	Copies admissible as evidence	19	Publication and effective date
7.34	Entry on land	20	Repealed
7.4	Powers re procedure		<b>Part III.1</b>
7.41	Whether proceedings are public or in camera		<b>Oil and Gas Revolving Fund</b>
7.5	Conduct of hearings	20.1 to 20.9	Repealed
7.51	Report		<b>Part III.2</b>
7.6	Power to review or vary		<b>Oil and Gas Orphan Fund</b>
7.61	Costs	20.91	Oil and Gas Environmental Fund Continued as Oil and Gas Orphan Fund
7.7	Conflict of interest	20.92	Fund advisory committee
7.8	Loss or disability of member after commencement of proceedings	20.93	Deposit and use of moneys in the orphan fund
7.9	Non-liability of board	20.94	Recovery of amounts used from the orphan fund
	<b>PART II</b>	20.95	Investments from the fund
	<b>Licences</b>	20.96	Annual report
8	Licence for well	20.97	Audit of the fund
8.01	Licence for facility	20.98	Regulations
8.1	Application for licence		<b>PART IV</b>
9	Issuance of licence		<b>Oil and Gas Production</b>
9.1	Compliance with licence required		<b>LIMITATION AND ALLOCATION OF PRODUCTION</b>
9.2	Agreement to transfer licence – ministerial approval required	21	Limitation of production
10	Transfer of licence restricted	22	Allocation of production
10.1	Transfer of licence where licensee does not meet eligibility requirements	22.1	One well per drainage unit
10.2	Transfer of licence in the public interest	23 to 26	Repealed
10.3	Transfer only effective on approval	27	Order re location of well
11	Notice of failure to comply	28	Repealed
12	Amendment, suspension, cancellation of licences	29	Repealed
12.1	Transfer of certain licences		<b>Pooling</b>
12.2	Obligations continue	30	Pooling of interests in drainage unit
13	Wells to be named	31	Contents of pooling order
14	Transitional	32	Recovery of costs from owner who refuses to pool
15	Security may be required	33	Effect of pooling order
16	Regulations		

PART V  
**Unit Operation**

- 34 Hearing by board and recommendation to minister
- 35 Order of Lieutenant Governor in Council for unit operation
- 36 Repealed
- 37 Property held by operator as trustee
- 38 Powers and duties of operator
- 39 Operations not in accordance with unit operation order prohibited
- 40 Rehearing by board
- 41 Unit area may include previously established unit area
- 42 Effect of unit operation order
- 43 Further powers of minister
- 44 Agreement for unit operation

PART VI  
**Practice and Procedure Relating to Hearings**

- 45 to 51 Repealed

PART VII  
**Miscellaneous**

- 52 Repealed
- 53 Address for service
- 53.01 Service of communication
- 53.1 Immunity
- 53.2 Recovery of debt owing to the minister
- 53.3 Collection from third parties
- 53.4 Service of demand or certificate
- 53.5 Processes for collecting debts additional
- 53.6 Action re principals

PART VIII  
**Prohibitions, Offences and Penalties**

- 54 Wasteful operations
- 55 Permit required to use gas for certain purposes
- 56 Removal of gas by approval of minister
- 56.1 Suspension of section 55 or 56
- 57 Sale, etc., of illegal oil or gas prohibited
- 58 Forfeiture
- 58.1 Administrative penalty
- 58.2 Appeal to the Court of Queen's Bench re administrative penalty
- 59 Offences
- 59.1 Additional order for convicting court
- 59.2 Vicarious liability
- 59.3 Limitation on prosecutions
- 60 Repealed
- 60.1 Offence
- 61 Repealed
- 62 Prosecution does not bar action for damages
- 63 Minister may apply for compliance order
- 64 Effect of payment of penalty and of forfeiture
- 65 Remedies for enforcement of regulation or order

PART IX  
**Petroleum Registry**

- 66 Petroleum registry
- 67 Disclosure of information



## CHAPTER O-2

### An Act to provide for the Conservation of Oil and Gas Resources

#### SHORT TITLE

##### Short title

- 1 This Act may be cited as *The Oil and Gas Conservation Act*.

#### INTERPRETATION

##### Interpretation

- 2(1) In this Act:

- (a) **Repealed.** 1990-91, c.39, s.3.
- (a.1) **“board”** means the Oil and Gas Conservation Board established pursuant to section 7;
- (b) **Repealed.** 2011, c.11, s.3.
- (c) **Repealed.** 1990-91, c.39, s.3.
- (d) **“drainage unit”** means the area allocated to one or more wells for the purpose of drilling for and producing oil or gas, and includes subsurface areas bounded by the vertical planes in which the surface boundaries lie;
- (d.1) **“electronic”** means created, recorded, transmitted or stored in digital or other intangible form by electronic, magnetic or optical means or by any other similar means;
- (e) **“field”** means the general area underlaid by one or more pools;
- (e.1) **“fund advisory committee”** means the fund advisory committee established pursuant to section 20.92;
- (f) **“illegal gas”** means gas produced from any well in the province in violation of this Act or any regulation or order made under the authority thereof;
- (g) **“illegal oil”** means oil produced from any well in the province in violation of this Act or any regulation or order made under the authority thereof;
- (h) **“illegal product”** means a commodity derived in whole or in part from illegal oil or illegal gas;
- (h.1) **“licence”** means a licence issued pursuant to section 9 or 14;
- (h.2) **“licensee”** means a person who holds a licence and includes a trustee or receiver-manager of property of a licensee;

- (i) **Repealed.** 1990-91, c.39, s.3.
- (j) **“minister”** means the member of the Executive Council to whom for the time being the administration of this Act is assigned;
- (j.01) **“ministry”** means the ministry over which the minister presides;
- (j.1) **“non-oil-and-gas substance”** means any substance, other than oil and gas waste, from a prescribed industry;
- (j.2) **“oil and gas waste”** means physical waste as that term is ordinarily understood in relation to the activities of the oil and gas industry, but does not include physical waste prescribed for the purposes of this clause;
- (j.3) **“orphan fund”** means the Oil and Gas Orphan Fund continued pursuant to section 20.91;
- (k) **“owner”** means a person who has the right to produce oil or gas from a pool and appropriate the oil or gas that person produces from the pool to the person, to other persons or to the person and other persons;
- (l) **“pool”** means:
  - (i) an underground reservoir that:
    - (A) contains or appears to contain an accumulation of oil or gas; and
    - (B) is separated or appears to be separated from any other reservoir or accumulation in the general structure;
  - (ii) a portion of an underground reservoir described in subclause (i) that is determined by the minister to be a pool for reasons of development or administration; or
  - (iii) a group of underground reservoirs described in subclause (i) that is determined by the minister to be a pool for reasons of development or administration;
- (l.1) **“prescribed”** means prescribed in the regulations;
- (m) **“producer”** means the owner of a well that is capable of producing oil or gas;
- (n) **“product”** means a commodity made from oil or gas and includes refined crude oil, crude tops, topped crude, processed crude, processed crude oil, residue from crude oil, cracking stock, uncracked fuel oil, fuel oil, treated crude oil, residuum, gas oil, casinghead gasoline, natural-gas gasoline, lubricating oil, blends or mixtures of oil with one or more liquid products or by-products derived from oil or gas and blends or mixtures of two or more liquid products or by-products derived from oil or gas, whether or not mentioned herein;
- (n.1) **Repealed.** 2011, c.11, s.3.
- (n.2) **Repealed.** 2011, c.11, s.3.
- (n.3) **“registry”** means the petroleum registry established pursuant to section 66;

- (o) **Repealed.** 1990-91, c.39, s.3.
- (p) **“wasteful operations”** means:
  - (i) the inefficient, excessive or improper use of, or the dissipation of, reservoir energy;
  - (ii) the locating, spacing, drilling, equipping, completing or operating of or producing from a well in a manner that causes, or is likely to cause:
    - (A) a reduction in the quantity of oil or gas ultimately recoverable from a pool under prudent and proper operations and practices; or
    - (B) unnecessary or excessive surface loss or destruction of oil or gas;
  - (iii) the inefficient or improper storage of oil or gas, whether on the surface or in a subsurface formation; or
  - (iv) the escape or the flaring of gas, if in the opinion of the minister, having regard to prudent and proper operations and practices, the gas could be gathered, processed if necessary, and the gas or the products from it marketed, stored for future marketing or beneficially injected into a subsurface formation.
- (2) For the purposes of this Act, in the expressions **“oil and gas”** and **“oil or gas”** the word **“and”** includes **“or”** and the word **“or”** includes **“and”**.

R.S.S. 1965, c.360, s.2; R.S.S. 1978, c.O-2, s.2;  
 1982-83, c.1, s.6; 1983, c.54, s.3; 1988-89, c.31,  
 s.3; 1990-91, c.39, s.3; 2001, c.26, s.3; 2007, c.7,  
 s.3; 2011, c.11, s.3.

## PURPOSE AND APPLICATION OF ACT

### Purpose of Act

**3(1)** The purposes of this Act are:

- (a) to minimize waste and prevent wasteful operations;
- (b) to regulate all operations for the production of oil and gas in such manner that the greatest possible ultimate recovery thereof by prudent and proper operations and practices may be realized;
- (c) to allow each owner the opportunity of obtaining that owner's share of the oil or gas from a pool;
- (d) **Repealed.** 1990-91, c.39, s.4.
- (e) to develop, process, utilize, protect and conserve the oil and gas resources of Saskatchewan;
- (f) to protect the environment, property and the safety of the public with respect to the operations of the oil and gas industry;

**c. O-2****OIL AND GAS CONSERVATION**

- (g) to regulate the injection, storage and withdrawal of substances into or from subsurface formations in a manner that ensures that:
    - (i) the substance is properly stored;
    - (ii) the environment, property and the safety of the public are protected; and
    - (iii) other subsurface resource uses are not unduly diminished;
  - (h) to regulate the injection of oil and gas waste and non-oil-and-gas substances into subsurface formations;
  - (i) to regulate the withdrawal of substances from a well for commercial, industrial or other uses, including increasing or improving oil or gas recovery or operations; and
  - (j) to regulate wells and facilities for non-renewable resource management purposes, including primary production of minerals other than oil and gas.
- (2) Nothing in subsection (1) requires the minister to ensure that each owner receives the owner's precise share of the oil or gas from any pool.
- (3) The minister may determine when the public interest requires that one purpose set out in subsection (1) be given priority over another.

1973-74, c.72, s.38; R.S.S. 1978, c.O-2, s.3;  
 1988-89, c.31, s.4; 1990-91, c.39, s.4; 2011, c.11,  
 s.4.

**Crown bound**

- 4 The Crown in right of Saskatchewan is bound by this Act.

1988-89, c.31, s.5.

## PART I

### Administration

**Administration by ministry**

- 5 This Act shall be administered by the ministry.

2011, c.11, s.5.

**Jurisdiction and authority of minister**

- 6 For the purpose of effectuating the purposes of this Act, the minister has jurisdiction and authority over all persons and property, public and private, and may make or cause to be made inquiries and investigations into any matter or thing in relation to the drilling for, and the resources, occurrence, production, transportation, distribution, disposition and processing of, oil or gas or products derived therefrom in the province at such places and at such times and in such manner as he may deem advisable, and may make or issue orders and take any other action he deems necessary or expedient for or incidental to the performance, execution and carrying out of any duty, function or power imposed or conferred upon him by this Act.

R.S.S. 1965, c.360, s.6; R.S.S. 1978, c.O-2, s.6.



**Minister to determine matters**

**6.1(1)** The minister has exclusive jurisdiction to examine, hear and determine all matters and questions that arise pursuant to this Act, including matters with respect to which:

- (a) a power, including a power to make an order;
- (b) an authority; or
- (c) a discretion;

is conferred on the minister.

(2) The minister may:

- (a) reconsider any matter that the minister has dealt with; and
- (b) rescind, alter, amend, suspend or confirm any:
  - (i) decision or order made;
  - (ii) approval granted; or
  - (iii) permit or licence issued;

by the minister.

1990-91, c.39, s.5.

**No appeal or review**

**6.2(1)** Subject to subsection 6.1(2):

- (a) there is no appeal from an order or decision of the minister; and
- (b) all decisions, findings and orders of the minister pursuant to this Act:
  - (i) are final and conclusive; and
  - (ii) are not reviewable in any court of law.

(2) No decision, finding or order of the minister shall be restrained by injunction, prohibition or other proceeding or be removed by certiorari or otherwise by any court.

1990-91, c.39, s.5.

**6.3 Repealed.** 2000, c.50, s.17.**Establishment of board**

**7(1)** The Lieutenant Governor in Council may establish a board to be called the Oil and Gas Conservation Board.

(2) The board consists of any number of members that the Lieutenant Governor in Council considers advisable.

- (3) The Lieutenant Governor in Council shall:
  - (a) appoint the members of the board and determine the term during which each member holds office;
  - (b) designate one member of the board as chairperson and another member as vice-chairperson;
  - (c) determine the number of members of the board that constitute a quorum; and
  - (d) fix the remuneration that members of the board are to receive.
- (4) Each member of the board:
  - (a) holds office for the term determined by the Lieutenant Governor in Council pursuant to clause (3)(a) and until the member's successor is appointed; and
  - (b) is eligible to be re-appointed.

1990-91, c.39, s.6.

#### **Employees and advisers**

**7.1(1)** For the purposes of carrying out its duties and exercising its powers, the board may:

- (a) employ any officers and employees that it considers necessary and determine their duties, conditions of employment and remuneration;
  - (b) engage the services or retain any technical, professional or other advisors, specialists or consultants to:
    - (i) advise the board with respect to; or
    - (ii) inquire into and report to the board on;
 any matter with respect to which the board considers it necessary to have information;
  - (c) subject to subsection (2), avail itself of the services of any officer or employee of a ministry, board, commission or agency of the Government of Saskatchewan.
- (2) An officer or employee mentioned in clause (1)(c) shall give to the board the service, assistance and information that the officer or employee is able to give and that the board requires if:
- (a) the member of the Executive Council responsible for the administration of the ministry; or
  - (b) the board, commission or agency;

that employs the officer or employee authorizes the officer or employee to do so.

1990-91, c.39, s.6; 2011, c.11, s.6.

**Referral by minister**

**7.11(1)** Subject to sections 7.2 to 7.3, where the minister is satisfied that all reasonable efforts have been made to resolve the matter in issue, the minister may, on the minister's own motion or on the application of an interested person, refer any matter or question arising pursuant to this Act, the regulations or an order made pursuant to this Act to the board for the purpose of conducting:

- (a) an investigation;
  - (b) a hearing; or
  - (c) an inquiry.
- (2) Where the minister refers a matter to the board, the minister may specify a time within which the board is to do any or all of the following:
- (a) commence the investigation, hearing or inquiry;
  - (b) render a report and recommendations pursuant to section 7.51.
- (3) An applicant shall provide the minister with any data, information and materials that the minister may require.

1990-91, c.39, s.6.

**Referral where board not established**

**7.2(1)** The minister may direct an official of the ministry to do any of the things mentioned in subsection 7.11(1) if:

- (a) a board has not been established pursuant to section 7; or
  - (b) the minister considers it advisable.
- (2) For the purposes of carrying out a minister's direction pursuant to subsection (1), the official has all the powers conferred on the board pursuant to sections 7 to 7.9 and is subject to all of the duties imposed on the board pursuant to these sections.

1990-91, c.39, s.6; 2011, c.11, s.7.

**Refusal to refer or hear**

**7.21(1)** Notwithstanding any other Act or law, the minister may refuse to refer any matter or question for investigation, hearing or inquiry if, in the opinion of the minister:

- (a) the application is frivolous or vexatious;
- (b) the applicant is not, or is not likely to be, directly, adversely and sufficiently affected by the matter or question in issue;
- (c) the matter or question also falls within the scope of another Act or within the jurisdiction of another board or tribunal;

**c. O-2****OIL AND GAS CONSERVATION**

- (d) the matter or question has been sufficiently dealt with in a previous investigation, hearing or inquiry; or
  - (e) the matter or question is before the courts or has been dealt with by the courts.
- (2) Notwithstanding any other Act or law, the minister may refuse to hear any matter or question if, in the opinion of the minister, any of the circumstances described in subsection (1) exist.

1990-91, c.39, s.6.

**Investigation by member, officer etc.**

- 7.3(1) Unless otherwise directed by the minister, the board, the chairperson or the vice-chairperson may authorize any member of the board or any officer or employee of the board to conduct an investigation and report to the board on any question or matter referred to the board.
- (2) For the purposes of conducting an investigation and preparing a report pursuant to subsection (1), the member, officer or employee has all the powers of the board for the purposes of investigating or acquiring the necessary information.
- (3) The board may adopt the report of the member, officer or employee as the report of the board.

1990-91, c.39, s.6.

**Inspections**

7.31(1) In this section and in sections 7.32 and 7.33:

- (a) “**Act**” includes the regulations and any orders made pursuant to this Act;
  - (b) “**property**” includes computer software;
  - (c) “**record**” includes any information that is recorded or stored in any medium or by means of any device, including a computer or electronic media.
- (2) A member, officer or employee of the board may make inquiries and conduct inspections and examinations respecting the business and activities of any person governed by this Act.
- (3) Subject to subsection 7.32(4), the member, officer or employee of the board may do all or any of the following things in the course of making an inquiry or conducting an inspection or examination:
- (a) enter any well, plant, facility or any place at which oil or gas is refined, produced, handled, processed or treated or any place used in connection with a well, plant, facility or place at which oil or gas is refined, produced, handled, processed or treated;

- (b) enter at any reasonable time premises containing any records or property required to be maintained pursuant to this Act or related to the administration of this Act and inspect those records or that property;
  - (c) require the person and any agent, representative, partner, director, officer or employee of the person to:
    - (i) answer any questions that may be relevant to the inquiry, inspection or examination; and
    - (ii) provide the member, officer or employee of the board with all reasonable assistance, including using any computer hardware or software or any other data storage, processing or retrieval device or system to produce information;
  - (d) take any samples or carry out any tests or examinations that the member, officer or employee of the board considers necessary while at any of the places or premises mentioned in clause (a) or (b);
  - (e) use any machinery, equipment, appliances or things that the member, officer or employee of the board considers necessary while at any places or premises mentioned in clause (a) or (b);
  - (f) in order to produce information, use any computer hardware or software or any other data storage, processing or retrieval device or system that is used in connection with the business or activities of any person governed by this Act;
  - (g) remove for examination and copying anything that may be relevant to the inquiry, inspection or examination, including removing any computer hardware or software or any other data storage, processing or retrieval device or system in order to produce information.
- (4) The member, officer or employee of the board may serve a written demand on any person requiring that person to produce any records or property:
- (a) required to be maintained pursuant to this Act; or
  - (b) related to the administration of this Act.
- (5) No person on whom a written demand is served pursuant to this section shall fail to produce the records or property mentioned in the written demand within the time specified in the written demand.
- (6) If the member, officer or employee of the board demands any records or property pursuant to this section, the member may examine the records or property and make copies of the records with reasonable dispatch and promptly return the originals of the records to the person who produced them.

**c. O-2****OIL AND GAS CONSERVATION**

(7) If the member, officer or employee of the board requires a person to answer questions, to produce a record or other property or to provide assistance in accordance with this section, the person shall do so in the manner and within the period specified by the member, officer or employee of the board.

(8) The member, officer or employee of the board shall:

- (a) give a receipt for anything that the member, officer or employee of the board removes for examination and copying;
- (b) promptly return anything removed pursuant to this section to the place from which it was removed or any other place agreed to by the member, officer or employee of the board and the person who furnished it; and
- (c) take all reasonable steps to ensure that, if a record is taken, a copy of the record is left at the premises to allow business to be carried on.

2011, c.11, s.8.

**Investigations**

**7.32(1)** If a justice or a provincial court judge is satisfied by information under oath that there are reasonable grounds to believe that an offence against this Act has occurred and that evidence of that offence is likely to be found, the justice or the provincial court judge may issue a warrant to do all or any of the following:

- (a) enter and search any place or premises named in the warrant;
- (b) stop and search any vehicle described in the warrant;
- (c) seize and remove from any place, premises or vehicle searched anything that may be evidence of an offence against this Act.

(2) With a warrant issued pursuant to subsection (1), the member, officer or employee of the board may:

- (a) enter at any time and search any place or premises named in the warrant;
- (b) stop and search any vehicle described in the warrant;
- (c) open and examine the contents within any trunk, box, bag, parcel, closet, cupboard or other receptacle that the member, officer or employee of the board finds in the place, premises or vehicle;
- (d) require the production of and examine any records or property that the member, officer or employee of the board believes, on reasonable grounds, may contain information related to an offence against this Act;

- (e) remove, for the purpose of making copies, any records examined pursuant to this section; and
  - (f) seize and remove from any place, premises or vehicle searched anything that may be evidence of an offence against this Act.
- (3) Subject to subsection (4), the member, officer or employee of the board may exercise all or any of the powers mentioned in subsection (2) without a warrant issued pursuant to this section if:
- (a) the conditions for obtaining a warrant exist; and
  - (b) the member, officer or employee of the board has reasonable grounds to believe that the delay necessary to obtain a warrant would result:
    - (i) in danger to human life or safety; or
    - (ii) in the loss, removal or destruction of evidence.
- (4) The member, officer or employee of the board shall not enter any premises that are a private dwelling without the consent of the occupier or a warrant issued pursuant to this section.

2011, c.11, s.8.

**Copies admissible as evidence**

**7.33** A record certified by the member, officer or employee of the board, to be a copy of a record made pursuant to section 7.31 or 7.32 is admissible in evidence, without proof of the office or signature of the person appearing to have certified the document, and has the same probative force as the original document.

2011, c.11, s.8.

**Entry on land**

**7.34** For the purposes of carrying out their duties pursuant to this Act, a member, officer or employee of the board and any person lawfully accompanying the member, officer or employee of the board may enter on or pass over any land, whether enclosed or not, without a warrant.

2011, c.11, s.8.

**Powers re procedure**

**7.4(1)** Subject to this section and to any regulations made pursuant to subsection (2), the board may determine its own procedures in any of its investigations, hearings or inquiries.

(2) The Lieutenant Governor in Council may make regulations respecting the procedures to be followed in investigations, hearings and inquiries.

1990-91, c.39, s.6.

**Whether proceedings are public or *in camera***

7.41(1) Subject to subsections (2) and (3), hearings and inquiries of the board are to be held in public.

(2) The board may, on its own motion or on the application of an interested person, hold any of its proceedings or any portion of one of its proceedings *in camera* if the board considers it necessary to do so.

(3) Notwithstanding anything else in sections 7 to 7.9, the board may make any orders that it considers necessary to protect the confidentiality of information disclosed at proceedings held *in camera* or otherwise obtained by the board, including, without limiting the generality of the foregoing:

(a) orders requiring any person to return to the board any documents, records, books, data, plans, maps, specifications, drawings, samples or other property or things provided to the person for the purposes of the proceedings; or

(b) orders prohibiting a person who was present during the proceedings or who otherwise participated in the proceedings from disclosing by any means, directly or indirectly, to any other person any information that the person obtained in the course of the proceedings.

1990-91, c.39, s.6.

**Conduct of hearings**

7.5(1) The board may give notice of a hearing:

(a) to any persons that the board is aware of who, in the opinion of the board, are directly and sufficiently affected by the matter or question that is the subject of the hearing; and

(b) in any manner that the board considers appropriate.

(2) In conducting hearings, the board is not bound by the rules of evidence.

(3) The board may conduct a hearing entirely by means of written submissions and evidence in written form.

(4) The board may:

(a) accept and act on evidence by affidavit or written affirmation; or

(b) accept as evidence and act on:

(i) the report of any person employed or engaged by the board to prepare the report; or

(ii) the report of any person obtained by the board in any other manner that the board considers proper.



(5) The board has the same powers as are vested in Her Majesty's Court of Queen's Bench for Saskatchewan for the trial of civil actions to:

- (a) summon and enforce the attendance of witnesses;
- (b) compel witnesses to give evidence on oath or otherwise; and
- (c) compel witnesses to produce documents, records, books, data, plans, maps, specifications, drawings, samples and other property or things.

(6) The failure or refusal of a person summoned as a witness pursuant to subsection (5) to:

- (a) attend;
- (b) answer questions; or
- (c) produce documents, records, books, data, plans, maps, specifications, drawings, samples and other property or things;

makes the person, on application to a judge of Her Majesty's Court of Queen's Bench for Saskatchewan by the board or the chairperson or vice-chairperson of the board, liable to be committed for contempt by the court in the same manner as if the person was in breach of an order or judgment of that court.

1990-91, c.39, s.6.

#### **Report**

**7.51(1)** Where a matter or question has been referred to the board pursuant to section 7.11, the board shall submit a report in writing to the minister after the completion of the investigation, hearing or inquiry setting out:

- (a) the findings and conclusions of the board; and
- (b) if the minister has requested recommendations on any matter, those recommendations.

(2) Where a report of the board is made with respect to a hearing, a party to the hearing is entitled, on request to the board, to be provided with a copy of the report.

(3) Where a report of the board is made with respect to an investigation or inquiry, the minister may provide a copy of the report to a person who requests it if, in the minister's opinion, it is appropriate to do so.

(4) The minister shall consider any report of the board submitted pursuant to this section, but is not bound by any finding or conclusion of the board and is not bound to act on or implement any recommendation of the board.

1990-91, c.39, s.6.

**c. O-2****OIL AND GAS CONSERVATION****Power to review or vary**

**7.6** On the request of the minister, the board may:

- (a) review or reconsider any matter or question dealt with by the board in an investigation, hearing or inquiry; or
- (b) rescind or vary all or any part of a report made by the board.

1990-91, c.39, s.6.

**Costs**

**7.61(1)** In this section, “**costs**” includes:

- (a) all costs of the board, including administrative and overhead costs, that are attributable to the hearing; and
  - (b) all reasonable costs of a party to the hearing.
- (2) Unless the minister orders otherwise, the board may make an order that all or any portion of the costs be paid by one or more of the parties to the hearing, in any amount and in any proportions that the board considers fair and reasonable.
- (3) Where the board orders pursuant to subsection (2) that costs be paid by a party to the hearing, the amount of the costs to be paid is a debt due to the Crown in right of Saskatchewan and may be recovered by the minister in any manner authorized by law.

1990-91, c.39, s.6.

**Conflict of interest**

**7.7** If:

- (a) a member of the board has a monetary interest of any description, directly or indirectly, in any property or in any business or undertaking carried on for the purpose of:
  - (i) searching for, winning or getting; or
  - (ii) gathering, collecting, processing or distributing;
 oil or gas in Saskatchewan; and
- (b) a question affecting that interest is before the board; the member shall, as soon as the member is aware of the question, disclose in writing the member’s interest to the board and shall not act or vote as a member of the board on that question.

1990-91, c.39, s.6.

**Loss or disability of member after commencement of proceedings**

**7.8** Where, after the board commences an investigation, hearing or inquiry, a member of the board dies, resigns or for any reason becomes incapable of acting, the other members of the board who are present when the proceeding commences may:

- (a) complete the proceeding or any adjournment of the proceeding; and
- (b) make a report pursuant to section 7.51;

notwithstanding that the members who complete the proceeding and make the report do not constitute a quorum.

1990-91, c.39, s.6.

**Non-liability of board**

**7.9** No action lies or shall be instituted against the board, a member of the board or an officer, employee or agent of the board for any loss or damage suffered by a person by reason of anything in good faith done, caused, permitted or authorized to be done, attempted to be done or omitted to be done, by any of them, pursuant to or in the exercise of or supposed exercise of any power conferred by this Act or the regulations or in the carrying out or supposed carrying out of any order made pursuant to this Act or any duty imposed by this Act or the regulations.

1990-91, c.39, s.6.

## PART II

### Licences

**Licence for well**

**8(1)** No person shall commence to drill a well, undertake any operations preparatory or incidental to the drilling of a well, continue any drilling operations, any producing operations or any injecting operations, or suspend the operation of or abandon a well unless the person holds a valid licence authorizing the activity.

**(2)** Notwithstanding subsection (1), a person may, without a licence:

- (a) survey the site for a well; or
- (b) on the direction or with the consent of the minister undertake operations to suspend or abandon a well.

**(3)** No person shall drill a well other than at the location specified in the licence or, if the licence has been amended with respect to the location of the well, at the location specified in the amendment.

2011, c.11, s.9.

**c. O-2****OIL AND GAS CONSERVATION****Licence for facility**

**8.01(1)** No person shall commence to construct or to operate a facility, undertake any operations preparatory or incidental to the construction or operation of a facility, continue any construction or operation of a facility or suspend the operation of or abandon a facility unless:

- (a) the person holds a valid licence authorizing the activity; or
  - (b) the facility is exempt from the requirement of holding a licence by regulation.
- (2) Notwithstanding subsection (1), a person may, without a licence:
- (a) survey the site for a facility; or
  - (b) on the direction or with the consent of the minister undertake operations to suspend or abandon a facility.

2011, c.11, s.9.

**Application for licence**

**8.1** An applicant for a licence shall:

- (a) apply to the minister in a form and manner satisfactory to the minister;
- (b) provide the minister with any other information or material that the minister may reasonably require;
- (c) if required by the regulations, submit to the minister the prescribed orphan fund fee;
- (d) if required pursuant to section 15, file security with the minister in accordance with that section;
- (e) provide evidence satisfactory to the minister that the applicant meets the prescribed eligibility requirements; and
- (f) submit to the minister any prescribed fees.

2011, c.11, s.10.

**Issuance of licence**

**9(1)** The minister may:

- (a) issue a licence if the minister is satisfied that:
    - (i) the applicant has complied with this Act and the regulations;
    - (ii) the applicant meets the prescribed eligibility requirements; and
    - (iii) it is in the public interest to do so; or
  - (b) refuse to issue the licence.
- (2) The minister may include as a provision of the licence any terms and conditions that the minister considers appropriate.
- (3) Where the minister refuses to issue a licence pursuant to clause (1)(b), the minister shall provide the applicant with written reasons for the refusal.

2001, c.26, s.5.

**Compliance with licence required**

**9.1** Every licensee shall comply with the terms and conditions of the licence.

2001, c.26, s.5.

**Agreement to transfer licence - ministerial approval required**

**9.2(1)** This section applies to an agreement to sell or otherwise dispose of the licensee's interest in a well or facility that:

- (a) was in existence on or before the day on which this section comes into force; or
  - (b) is entered into on or after the day on which this section comes into force.
- (2) Subject to subsection (3), if a licensee enters into an agreement to sell or otherwise dispose of the licensee's interest in a well or facility, the licensee must apply for a transfer of a licence within 14 days after signing the agreement.
- (3) In the case of an agreement that was in existence on or before the day on which this section comes into force, a licensee must apply for a transfer of a licence within 14 days after the day on which this section comes into force.
- (4) If the applicant fails to apply for a transfer of a licence in accordance with subsection (2) or (3), the minister may, after giving any notice that the minister considers reasonable, order the shut-down of a well or facility, the operation of which contravenes this section, and prohibit the operation of the well or facility until the minister orders otherwise.

2011, c.11, s.11.

**Transfer of licence restricted**

**10(1)** A licence may not be transferred without the written approval of the minister.

- (2) A licensee who intends to transfer a licence to another person shall:
- (a) apply to the minister in a form and manner satisfactory to the minister;
  - (b) provide the minister with any other information or material that the minister may reasonably require; and
  - (c) submit to the minister any prescribed fees.
- (3) The minister may:
- (a) approve the transfer of the licence if the minister is satisfied that:
    - (i) the licensee and the person to whom the licence is to be transferred have complied with this Act and the regulations;
    - (ii) if required by the regulations, the licensee and the person to whom the licence is to be transferred have submitted the prescribed orphan fund fee;
    - (iii) if required pursuant to section 15, the licensee and the person to whom the licence is to be transferred have filed security with the minister in accordance with that section;

- (iv) the person to whom the licence is to be transferred meets the prescribed eligibility requirements for an applicant for a licence; and
- (v) it is in the public interest to do so; or
- (b) refuse to approve the transfer of the licence.
- (4) If the minister approves the transfer of the licence, the minister may amend the licence to include any terms and conditions that the minister considers appropriate.
- (5) If the minister refuses to approve the transfer of a licence pursuant to clause (3)(b), the minister shall provide the licensee with written reasons for the refusal.
- (6) The minister shall not unreasonably withhold approval for the transfer of a licence.

2011, c.11, s.12.

**Transfer of licence where licensee does not meet eligibility requirements**

- 10.1(1)** Where a licensee does not meet the prescribed eligibility requirements for an applicant for a licence, another person who meets the eligibility requirements may apply to the minister to have the licence transferred to that person.
- (2) A licence may not be transferred pursuant to this section without the written approval of the minister.
- (2.1) An applicant for the transfer of a licence pursuant to this section shall:
- (a) apply to the minister in a form and manner satisfactory to the minister;
  - (b) provide the minister with any other information or material that the minister may reasonably require;
  - (c) if required by the regulations, submit to the minister the prescribed orphan fund fee;
  - (d) if required pursuant to section 15, file security with the minister in accordance with that section;
  - (e) provide evidence satisfactory to the minister that the applicant meets the prescribed eligibility requirements for an applicant for a licence; and
  - (f) submit to the minister any prescribed fees.
- (3) The minister may:
- (a) subject to subsection (4), approve the transfer of the licence if the minister is satisfied that:
    - (i) the person to whom the licence is to be transferred has complied with this Act and the regulations;

- (ii) if required by the regulations, the licensee and the person to whom the licence is to be transferred have submitted the prescribed orphan fund fee;
  - (iii) if required pursuant to section 15, the licensee and the person to whom the licence is to be transferred have filed security with the minister in accordance with that section;
  - (iv) the person to whom the licence is to be transferred meets the prescribed eligibility requirements for an applicant for a licence; and
  - (v) it is in the public interest to do so; or
- (b) refuse to approve the transfer of the licence.
- (4) The minister shall not transfer the licence unless the minister has provided the licensee with not less than 30 days' notice in writing, directed to the licensee's address for service registered pursuant to section 53, of the minister's intention to transfer the licence.
- (5) Where the minister approves the transfer of the licence, the minister may amend the licence to include as a provision of the licence any terms and conditions that the minister considers appropriate.
- (6) Where the minister refuses to approve the transfer of a licence pursuant to clause (3)(b), the minister shall provide the applicant with written reasons for the refusal.

2001, c.26, s.5; 2007, c.7, s.4; 2011, c.11, s.13.

**Transfer of licence in the public interest**

- 10.2(1)** The minister may make an order directing the transfer of a licence to a person who, in the opinion of the minister, has the right or obligation to receive it, whether or not the person consents to the transfer.
- (2) Before the minister acts pursuant to subsection (1), the minister shall give to the person to whom the licence is to be transferred and the person from whom the licence is to be transferred:
- (a) written notice of the minister's intended action and the reasons for the intended action; and
  - (b) an opportunity to make written representations to the minister, within 30 days after the written notice mentioned in clause (a) is given, as to why the intended action should not be taken.
- (3) The minister is not required to give an oral hearing to any person to whom a notice has been given pursuant to subsection (2).
- (4) After considering any representations made pursuant to clause (2)(b), the minister shall issue a written decision and shall serve a copy of the decision made pursuant to this section on any person to whom notice was given pursuant to subsection (2).

**c. O-2****OIL AND GAS CONSERVATION**

(5) If the minister makes an order directing the transfer of the licence, the minister may amend the licence to include any terms and conditions that the minister considers appropriate.

(6) An order of the minister directing the transfer of a licence pursuant to this section has the same effect as a transfer approved pursuant to section 10.

2011, c.11, s.14.

**Transfer only effective on approval**

**10.3** A transfer of a licence has no effect until the minister has approved the transfer in writing.

2011, c.11, s.14.

**Notice of failure to comply**

**11(1)** The minister may issue a notice of failure to comply to a licensee if:

- (a) the minister has reasonable grounds to believe that:
    - (i) the licensee has failed to comply with:
      - (A) this Act or the regulations;
      - (B) any term or condition of a licence; or
      - (C) an order made pursuant to this Act; or
    - (ii) the licensee ceases to meet the prescribed eligibility requirements for an applicant for a licence; or
  - (b) the licensee is named in a declaration pursuant to section 53.6.
- (2) No licensee that receives a notice of failure to comply pursuant to subsection (1) shall fail to comply with the notice within the period specified in the notice.

2011, c.11, s.15.

**Amendment, suspension, cancellation of licences**

**12(1)** The minister may amend or suspend a licence where the amendment or suspension is necessary for the purposes of public safety or the safety of any person or for the protection of property or the environment.

(2) The minister may amend, suspend or cancel a licence if:

- (a) the licensee is in agreement with the amendment, suspension or cancellation;
- (b) the licensee fails to comply with a notice issued pursuant to subsection 11(1) within the period specified in the notice;



- (c) the security required pursuant to section 15 has not been provided in the amount and within the time required; or
  - (d) the licensee has contravened any provision of this Act or the regulations or has failed to comply with any order made pursuant to this Act.
- (3) Unless, in the minister's opinion, action is urgently required, the minister shall not amend, suspend or cancel a licence pursuant to clause (2)(b), (c) or (d) unless the licensee has been given a reasonable opportunity to make representations to the minister, in a form and manner determined by the minister, concerning the proposed amendment, suspension or cancellation.
- (4) Where the minister amends, suspends or cancels a licence without giving the licensee an opportunity to make representations to the minister, the minister shall:
- (a) notify the licensee as soon as possible that the licence has been amended, suspended or cancelled; and
  - (b) provide the licensee with an opportunity to make representations within 15 days after the date of the amendment, suspension or cancellation.
- (5) **Repealed.** 2011, c.11, s.16.

2001, c.26, s.5; 2011, c.11, s.16.

#### **Obligations continue**

##### **12.2** If a licence is suspended or cancelled:

- (a) all rights and privileges conveyed by the licence are suspended or cancelled, as the case may be; and
- (b) notwithstanding the suspension or cancellation of a licence, the responsibility of the licensee and any working interest participant in the well, facility or associated flowline, and the well site and facility site, continues after the suspension or cancellation of the licence with respect to any obligations of the licensee pursuant to:
  - (i) this Act;
  - (ii) the regulations;
  - (iii) any orders made pursuant to this Act; or
  - (iv) any terms or conditions of the licence.

2011, c.11, s.17.

#### **Wells to be named**

##### **13** Every well is to have a unique name approved by the minister.

2001, c.26, s.5.

**Transitional**

**14(1)** Subject to subsection (2) and to section 15, if, on the coming into force of this subsection, a licence is required for the operation of a facility that existed on the day before this subsection came into force, the minister may issue a licence to a person who meets the prescribed eligibility requirements for an applicant for a licence as if the person had applied for a licence pursuant to section 8.1 and satisfied the requirements of that section.

(2) Before issuing a licence pursuant to subsection (1), the minister may require the person to provide to the minister any prescribed information and material and any other information and material that the minister may require.

(3) The minister may include as a provision of the licence any terms and conditions that the minister considers appropriate.

2001, c.26, s.5; 2011, c.11, s.18.

**Security may be required**

**15(1)** Subject to the regulations, the minister may require or accept from a person a letter of credit or any other form of security provided for in the regulations, in an amount determined by the minister, for the purpose of ensuring that the person's obligations pursuant to this Act, the regulations or a licence with respect to the suspension, abandonment, restoration, remediation or reclamation of wells, facilities and the sites of wells and facilities are satisfied:

- (a) as a condition of a person becoming a licensee pursuant to section 9, 10, 10.1, 10.2 or 14;
- (b) where a person who is a licensee fails a liability ratings test conducted in accordance with the regulations for the purpose of determining the risk posed by the licensee with respect to the suspension, abandonment, restoration, remediation or reclamation of the wells or facilities in relation to which the licensee holds a licence and the sites of those wells and facilities; or
- (c) in any other prescribed circumstances.

(2) Where the minister requires a person to provide a letter of credit or other form of security provided for in the regulations, the minister shall, in accordance with the regulations, provide that person with notice of the requirement, specifying:

- (a) the form of security to be provided;
- (b) the amount of the security to be provided; and
- (c) the date by which the security is to be provided.

(3) Where a person fails to provide the letter of credit or other form of security in the amount required or within the time required, the amount not provided is a debt owing to the minister and may be collected by the minister in any manner the minister considers appropriate, including in the manner provided in section 53.2.

2001, c.26, s.5; 2011, c.11, s.19.

**Regulations**

**16** The Lieutenant Governor in Council may, for the purposes of this Part, make regulations:

- (a) defining, enlarging or restricting the meaning of any word or expression used in this Part but not defined in this Part;
- (b) for the purposes of clause 8.01(1)(b), designating facilities or classes of facilities that are exempt from the requirement of holding a licence;
- (c) respecting applications for and the issuance of licences and fees for licences;
- (d) prescribing eligibility requirements for applying for or holding a licence;
- (e) respecting the circumstances in which an applicant for a licence, or a person to whom a licence may be issued, is required to submit the orphan fund fee;
- (f) respecting the amendment, suspension and cancellation of licences;
- (g) respecting the transfer of licences;
- (h) respecting the naming of wells;
- (i) respecting letters of credit and other forms of security provided for in section 15;
- (j) prescribing forms of security other than letters of credit for the purposes of section 15;
- (k) respecting the conduct of liability ratings tests for the purposes of clause 15(1)(b), including the factors to be considered and the timing and frequency of the tests;
- (l) for the purposes of clause 15(1)(c), respecting other circumstances in which a letter of credit or other form of security may be required;
- (m) where payment pursuant to a letter of credit or other form of security is made in favour of the minister, authorizing the minister to deposit the payment or a portion of the payment in the orphan fund;
- (n) prescribing any matter or thing required or authorized by this Part to be prescribed in the regulations;
- (o) respecting any other matter or thing that the Lieutenant Governor in Council considers necessary to carry out the intent of this Part.

### PART III Regulations and Orders

#### Powers of minister

**17(1)** Without limiting the generality of section 6, the minister may make orders, on the minister's own motion or on the application of an interested person:

- (a) respecting the establishing of:
  - (i) fields, pools, spacing areas or zones;
  - (ii) drainage units;
  - (iii) set-back distances;
  - (iv) target areas;
- (b) respecting and limiting the number and types of wells that may exist in a drainage unit;
- (c) respecting the spacing of wells;
- (d) regulating, limiting and allocating production from one or more wells, blocks or areas, including but not limited to:
  - (i) establishing:
    - (A) a maximum allowable rate of production from a well, block or area; or
    - (B) different:
      - (I) maximum allowable rates of production; or
      - (II) methods of determining maximum allowable rates of production;

for a well, type of well, block or area; and
  - (ii) authorizing production according to good production practices for a well, type of well, block or area;
- (e) limiting the amount of gas or water that may be produced with oil from a well or wells;
- (f) limiting the production of oil from a well or wells that produce gas or water in excess of the amount of gas or water limited by an order pursuant to clause (e);
- (g) respecting the drilling, plugging, producing and operating of wells and other operations related to the production of oil or gas;
- (h) respecting operations to increase or improve recovery of oil, gas or products;
- (i) respecting the completing, chemical treating and fracturing of wells;
- (j) respecting the taking of cores, the making of logs and the submitting of core and log analyses to the minister;

- (k) respecting the containment, storage, handling, transportation, treatment, processing, recovery, reuse, recycling, destruction and disposal of oil and gas waste anywhere in Saskatchewan and non-oil-and-gas substances at a licensed facility or well or associated site;
  - (l) classifying wells as oil or gas wells if the minister considers it necessary for the application and enforcement of this Act;
  - (m) respecting the conditions under which drilling and producing operations may be carried out in environmentally sensitive areas and any special measures to be taken in those operations;
  - (n) respecting the processing and storing of:
    - (i) oil, condensate and gas;
    - (ii) oil, condensate and gas products and by-products; and
    - (iii) non-oil-and-gas substances at a licensed facility or well or associated site;
  - (o) respecting any other matter that the minister considers necessary or incidental to the carrying out of the minister's duties or the exercising of the minister's powers pursuant to this Act or the regulations.
- (2) Notwithstanding anything in this Act or the regulations, the minister may include in an order pursuant to subsection (1) any terms and conditions that the minister considers advisable.

1990-91, c.39, s.11; 2001, c.26, s.6; 2011, c.11, s.21.

**Minister's orders for the protection of the environment**

**17.01(1)** Notwithstanding any licence, permit or approval, if, in the minister's opinion, it is necessary to do so for the purposes of public safety or the safety of any person, for the protection of property or the environment or for any other prescribed purpose, the minister may order any person to:

- (a) suspend the operation of any well, structure test hole, oil shale core hole, flowline or facility in the manner and within the time specified in the order; and
  - (b) abandon, restore, remediate or reclaim any well, structure test hole, oil shale core hole, flowline or facility, or the site of any well, structure test hole, oil shale core hole, flowline, or facility, in the manner and within the time specified in the order.
- (2) The minister may, in an order made pursuant to this section, specify:
- (a) the manner in which the order is to be carried out and the method or procedures to be used; and
  - (b) the time within which anything required by the order is to begin and the time within which the order or any part of the order is to be complied with.

2001, c.26, s.7; 2011, c.11, s.22.

**c. O-2****OIL AND GAS CONSERVATION****Service of order**

**17.02** An order made pursuant to section 17.01 is to be served on the person to whom the order is directed.

2001, c.26, s.7.

**Minister may carry out order**

**17.03** Where a person to whom an order made pursuant to section 17.01 is directed fails to comply with the order in the specified manner or within the specified time, the minister may:

- (a) carry out the order or cause the order to be carried out; and
- (b) recover the costs and expenses incurred pursuant to clause (a) on behalf of the Crown in right of Saskatchewan, as a debt due to and recoverable by the Crown, from the person who failed to comply with the order.

2001, c.26, s.7.

**Power to take immediate action**

**17.04(1)** Notwithstanding section 17.01, if the minister considers it in the public interest to take immediate action or is unable to readily identify or locate the person to whom an order pursuant to section 17.01 should be directed, the minister may, in any manner and by any method the minister considers appropriate:

- (a) suspend the operation of any well, structure test hole, oil shale core hole, flowline or facility; and
- (b) abandon, restore, remediate or reclaim any well, structure test hole, oil shale core hole, flowline or facility, or the site of any well, structure test hole, oil shale core hole, flowline or facility.

(2) The amount of any costs and expenses incurred with respect to any action taken pursuant to subsection (1) is a debt due to and recoverable by the Crown in right of Saskatchewan from the person identified by the minister as the person to whom an order would have been directed if the minister had not acted pursuant to subsection (1).

2001, c.26, s.7; 2011, c.11, s.23.

**Entry on land re minister's order**

**17.041(1)** A person carrying out suspension, abandonment, restoration, remediation or reclamation operations pursuant to section 17.01 or 17.04 may enter on or pass over any land, whether enclosed or not, for the purposes of carrying out the suspension, abandonment, restoration, remediation or reclamation.

(2) Before entering on any land pursuant to subsection (1), the person shall give prior written notice of the person's intention to enter on or pass over the land to the land owner and to the occupant, unless it is impractical under the circumstances to do so.

- (3) If a person who attempts to enter on or pass over any land pursuant to subsection (1) is prevented from entering on or passing over the land, that person may apply to a justice or a provincial court judge for a warrant pursuant to subsection (4).
- (4) A justice or a provincial court judge may issue a warrant, if the justice or the provincial court judge is satisfied by information under oath that there are reasonable grounds to believe that the following circumstances exist:
- (a) entry to the land is necessary for the purpose set out in subsection (1); and
  - (b) the person has been denied entry to the land mentioned in subsection (1) for the purpose set out in that subsection.
- (5) A warrant issued pursuant to subsection (4) authorizes the person named in the warrant to enter the land named in the warrant to:
- (a) examine or pass over the land; and
  - (b) carry out the activities mentioned in subsection (1).
- (6) A person who enters on or passes over any land pursuant to subsection (1) shall compensate the land owner or occupant for:
- (a) direct expenses and for any damage to the land owner's or occupier's land or property arising directly from that entry; and
  - (b) use of land outside the surface lease area.
- (7) If a dispute arises as to the compensation payable pursuant to subsection (6), the compensation is to be determined pursuant to *The Surface Rights Acquisition and Compensation Act*.

2011, c.11, s.24.

#### Inspections

**17.05(1)** In this section and in sections 17.051 and 17.052:

- (a) **“Act”** includes the regulations and any orders made pursuant to this Act;
  - (b) **“property”** includes computer software;
  - (c) **“record”** includes any information that is recorded or stored in any medium or by means of any device, including a computer or electronic media.
- (2) The minister may make inquiries and conduct inspections and examinations respecting the business and activities of any person governed by this Act.
- (3) Subject to subsection 17.051(4), the minister may do all or any of the following things in the course of making an inquiry or conducting an inspection or examination:
- (a) enter any land or any site where a well, structure test hole, oil shale core hole, flowline, or facility is or was located, or any lands affected by any well, structure test hole, oil shale core hole, flowline or facility, whether or not the land is included in a surface lease;

**c. O-2****OIL AND GAS CONSERVATION**

- (b) enter at any reasonable time premises containing any records or property required to be maintained pursuant to this Act or related to the administration of this Act and inspect those records or that property;
  - (c) require the person and any agent, representative, partner, director, officer or employee of the person to:
    - (i) answer any questions that may be relevant to the inquiry, inspection or examination; and
    - (ii) provide the minister with all reasonable assistance, including using any computer hardware or software or any other data storage, processing or retrieval device or system to produce information;
  - (d) take any samples or carry out any tests or examinations that the minister considers necessary while at any of the places or premises mentioned in clause (a) or (b);
  - (e) use any machinery, equipment, appliances or things that the minister considers necessary while at any places or premises mentioned in clause (a) or (b);
  - (f) in order to produce information, use any computer hardware or software or any other data storage, processing or retrieval device or system that is used in connection with the business or activities of any person governed by this Act;
  - (g) remove for examination and copying anything that may be relevant to the inquiry, inspection or examination, including removing any computer hardware or software or any other data storage, processing or retrieval device or system in order to produce information.
- (4) The minister may serve a written demand on any person requiring that person to produce any records or property:
- (a) required to be maintained pursuant to this Act; or
  - (b) related to the administration of this Act.
- (5) No person on whom a written demand is served pursuant to this section shall fail to produce the records or property mentioned in the written demand within the time specified in the written demand.
- (6) If the minister demands any records or property pursuant to this section, the minister may examine the records or property and make copies of the records with reasonable dispatch and promptly return the originals of the records to the person who produced them.
- (7) If the minister requires a person to answer questions, to produce a record or other property or to provide assistance in accordance with this section, the person shall do so in the manner and within the period specified by the minister.



- (8) The minister shall:
- (a) give a receipt for anything that the minister removes for examination and copying;
  - (b) promptly return anything removed pursuant to this section to the place from which it was removed or any other place agreed to by the minister and the person who furnished it; and
  - (c) take all reasonable steps to ensure that, if a record is taken, a copy of the record is left at the premises to allow business to be carried on.

2011, c.11, s.25.

#### **Investigations**

**17.051(1)** If a justice or a provincial court judge is satisfied by information under oath that there are reasonable grounds to believe that an offence against this Act has occurred and that evidence of that offence is likely to be found, the justice or the provincial court judge may issue a warrant to do all or any of the following:

- (a) enter and search any place or premises named in the warrant;
  - (b) stop and search any vehicle described in the warrant;
  - (c) seize and remove from any place, premises or vehicle searched anything that may be evidence of an offence against this Act.
- (2) With a warrant issued pursuant to subsection (1), the minister may:
- (a) enter at any time and search any place or premises named in the warrant;
  - (b) stop and search any vehicle described in the warrant;
  - (c) open and examine the contents within any trunk, box, bag, parcel, closet, cupboard or other receptacle that the minister finds in the place, premises or vehicle;
  - (d) require the production of and examine any records or property that the minister believes, on reasonable grounds, may contain information related to an offence against this Act;
  - (e) remove, for the purpose of making copies, any records examined pursuant to this section; and
  - (f) seize and remove from any place, premises or vehicle searched anything that may be evidence of an offence against this Act.
- (3) Subject to subsection (4), the minister may exercise all or any of the powers mentioned in subsection (2) without a warrant issued pursuant to this section if:
- (a) the conditions for obtaining a warrant exist; and
  - (b) the minister has reasonable grounds to believe that the delay necessary to obtain a warrant would result:
    - (i) in danger to human life or safety; or
    - (ii) in the loss, removal or destruction of evidence.

## c. O-2

## OIL AND GAS CONSERVATION

(4) The minister shall not enter any premises that are a private dwelling without the consent of the occupier or a warrant issued pursuant to this section.

2011, c.11, s.25.

**Copies admissible as evidence**

**17.052** A record certified by the minister, or any person authorized by the minister, to be a copy of a record made pursuant to section 17.05 or 17.051 is admissible in evidence, without proof of the office or signature of the person appearing to have certified the document, and has the same probative force as the original document.

2011, c.11, s.25.

**Entry on land re inspection and investigation**

**17.053** For the purposes of carrying out their duties pursuant to this Act, the minister and any person lawfully accompanying the minister may enter on or pass over any land, whether enclosed or not, without a warrant.

2011, c.11, s.25.

**Forfeiture of machinery, etc.**

**17.06** The minister may order that any machinery, equipment or materials or oil, gas or products at the site of a well or facility be forfeited to the Crown in right of Saskatchewan if:

- (a) the machinery, equipment or materials or oil, gas or products are located at the site of a well or facility that is no longer active;
- (b) the abandonment, restoration, remediation or reclamation of the well or facility or the site of the well or facility is, in the minister's opinion, required; and
- (c) the owner, operator or licensee of the well or facility cannot be located.

2011, c.11, s.26.

**Power re certain plans**

**17.1(1)** Notwithstanding anything in this Act or the regulations, the minister may make orders approving plans for:

- (a) increasing or improving oil or gas recovery or operations, including, without limiting the generality of the foregoing, plans for:
  - (i) **Repealed.** 2011, c.11, s.27.
  - (ii) water flooding;
  - (iii) pressure maintenance;
  - (iv) steam injection;
  - (v) *in situ* combustion;
  - (vi) introducing any substance or energy into the producing formation;

- (b) drilling, producing from and operating horizontal wells; and
  - (c) injecting, storing or disposing of oil and gas wastes or non-oil-and-gas substances in subsurface formations.
- (1.1) Subclause (1)(a)(vi) does not apply to the introduction into the well or wellbore of a substance or form of energy for the sole purpose of aiding in the lifting of fluids in the well or fracturing or stimulation of the reservoir at or near the wellbore by mechanical, chemical, thermal, explosive or other means.
- (2) Notwithstanding anything in this Act or the regulations, the minister may include in an order pursuant to subsection (1) any terms and conditions that the minister considers advisable.
- (3) No person shall proceed with a plan described in subsection (1) before the plan has been submitted to the minister and an order approving the plan has been issued.
- (4) Any approvals that:
- (a) were made, before this section was assented to, by the minister pursuant to section 52, as that section existed before the coming into force of this section; and
  - (b) were existing on the day before this section was assented to;
- are deemed to be orders made pursuant to this section and may be dealt with as if they were orders made pursuant to this section.

1990-91, c.39, s.11; 2011, c.11, s.27.

#### **Paramountcy of orders**

**17.2** In the event of a conflict between an order made pursuant to section 17, 17.01 or 17.1 and a regulation made pursuant to section 16, 18 or 20.98, the order is to prevail.

2001, c.26, s.8.

#### **Power of Lieutenant Governor in Council**

**18** The Lieutenant Governor in Council may make regulations deemed necessary to carry out the provisions of this Act according to their true intent and, without restricting the generality of the foregoing, the Lieutenant Governor in Council may make regulations:

- (a) authorizing or requiring:
  - (i) the spacing of wells, the establishment of set-back distances, the establishment of target areas and the formation of drainage units generally;
  - (ii) the identification of ownership of wells, facilities, producing leases and pipelines;

- (iii) the making and filing with the minister of well logs, directional surveys, tests, reports and analyses on well location, drilling, drilling tests, injection and production;
- (iv) the conducting and filing of analyses or other information pertaining to oil, gas, water, products and other substances;
- (v) the drilling, casing, cementing, operating and plugging of wells in accordance with good practices and in any manner as to prevent:
  - (A) the escape of oil or gas from one stratum into another;
  - (B) the harmful intrusion of water, oil and gas wastes and non-oil-and-gas substances into an oil or gas stratum or the environment;
  - (C) the pollution of fresh water supplies by oil, gas, salt water, oil and gas wastes or non-oil-and-gas substances; and
  - (D) blowouts, cavings, seepages, gas migrations, casing vent flow and fires;
- (vi) that the production from and injection into wells be separated into gaseous and liquid hydrocarbons and non-hydrocarbons, and that each of these be accurately measured by any means and according to any standards as may be determined by the minister;
- (vii) certificates of clearance showing quantity and disposition with respect to the transportation or delivery of oil, gas or any product;
- (viii) metering or measuring any of the following substances in pipelines, gathering systems or other places:
  - (A) oil or gas;
  - (B) products;
  - (C) water; or
  - (D) other substances;
- (ix) every person who produces, injects, sells, purchases, acquires, stores, consumes, transports, refines or processes oil, gas, water, products or other substances to keep and maintain in Saskatchewan complete and accurate records of the quantities of them, requiring that those records are available for examination by the minister or any person authorized by the minister at all reasonable times, and requiring that person to file with the minister any reports, contracts or other information that may be required with respect to that oil or gas, water, or those products or substances;

- (b) governing the suspension of operations and the abandonment and reconditioning of wells and facilities;
- (c) requiring and respecting the taking and method of taking of cores and samples of any kind and their submission to the minister;
- (d) prescribing the methods of operation to be observed during drilling and in the subsequent management and conduct of any well:
  - (i) for the protection of the environment, life and property;
  - (ii) for the prevention and extinguishment of fires;
  - (iii) for the prevention of the blowing out of control of wells; and
  - (iv) for the prevention of pollution of fresh water supplies;
- (e) governing the testing of wells;
- (f) providing for the inspection of wells, both during and after drilling, with respect to:
  - (i) matters pertaining to safe operations; and
  - (ii) matters pertaining to the general public interest, having regard to the protection of public or private property;
- (g) providing for the taking over of any well, facility or related equipment or operation that is a menace to oil, gas or water-bearing formations or to the environment, life or property if:
  - (i) remedial measures are considered necessary; and
  - (ii) the owner of the well or facility fails to use the measures mentioned in subclause (i);
- (g.1) in the circumstances mentioned in clause (g), providing for the execution of the remedial measures mentioned in that clause at the expense of the owner of the well, facility or related equipment or operation;
- (h) respecting the issuance of permits and licences authorizing the drilling of structure test holes and oil shale core holes and prescribing fees for those permits and licences;
- (h.1) respecting the inspection and control of structure test holes and oil shale core holes and the making and submission to the minister of logs, log analyses, core analyses, and reports;
- (h.2) respecting the abandonment and reclamation of structure test holes and oil shale core holes;
- (i) generally governing operations to increase ultimate recovery, including the cycling of gas, the maintenance of pressure and the introduction of gas, water or other substances into producing formations;

- (i.1) respecting the withdrawal of substances from a well for commercial, industrial or other uses;
- (j) authorizing and governing the shutting in and sealing of wells and the shutting down of facilities and related equipment and operations, for infraction of this Act or any regulation or order;
- (k) **Repealed.** 2001, c.26, s.9.
- (l) governing the procedure with respect to inquiries and investigations;
- (m) governing the procedure with respect to filing of agreements for unit operation;
- (n) authorizing and governing:
  - (i) the construction and operation of any facility designed to process and dispose of oil and gas waste and related substances; and
  - (ii) the shutting down of the operation of any facility described in subclause (i) for an infraction of this Act, any regulation made pursuant to this Act, any order issued pursuant to this Act or any term or condition of any ministerial approval issued pursuant to this Act with respect to the facility;
- (n.1) requiring a person operating a waste processing facility to provide a letter of credit or other form of security, in an amount determined by the minister, for the purpose of ensuring that the person's obligations pursuant to this Act, the regulations or a ministerial approval are satisfied with respect to the suspension, abandonment, restoration, remediation or reclamation of a waste processing facility and the site of a waste processing facility;
- (n.2) respecting letters of credit or other forms of security that may be required to be provided by a person operating a waste processing facility;
- (n.3) where payment pursuant to a letter of credit or other form of security is made in favour of the minister respecting a waste processing facility, authorizing the minister to deposit the payment or a portion of the payment in the orphan fund;
- (o) for the purposes of subclause (n)(i):
  - (i) providing for, requiring and prescribing the manner of issuing approvals for facilities described in that subclause;
  - (ii) authorizing the minister to impose any terms and conditions that the minister considers appropriate on those approvals; and
  - (iii) respecting the amendment, suspension or cancellation of those approvals;
- (p) requiring the submission and prescribing the contents of reports and information with respect to facilities described in clause (n);

- (q) respecting the drilling, production and operation of horizontal wells;
- (r) prescribing and governing production penalties for off-target wells or wells that contravene set-back distances established in orders pursuant to clause 17(1)(a) or the regulations;
- (r.1) respecting the completing, chemical treating and fracturing of wells;
- (s) prohibiting or restricting drilling, specifying areas within which drilling is prohibited or restricted, specifying circumstances in which drilling is prohibited or restricted and generally governing the prohibition or restriction of drilling;
- (t) prescribing and governing any measures or requirements that the Lieutenant Governor in Council considers necessary to protect the environment;
- (u) respecting the filing of plans for, and the approval of, compressor stations and gas plants;
- (v) respecting the confidentiality of, and access to, data, reports, documents, applications, returns, statements, estimates, analyses, declarations, plans, maps, surveys, records and other information acquired in the course of administering this Act, the regulations and orders made pursuant to this Act;
- (w) respecting the matters that are to be included in an order made pursuant to subsection 35(1);
- (x) requiring the submission of data, reports, documents, applications, returns, statements, estimates, analyses, declarations, plans, maps, surveys, records and other information;
- (x.1) respecting the form and manner in which data, reports, documents, applications, returns, statements, estimates, analyses, declarations, plans, maps, surveys, records and other information are to be submitted;
- (y) **Repealed.** 2001, c.26, s.9.
- (z) requiring the payment of fees or charges for any thing done, any licence or other document issued or any approval or authorization granted pursuant to this Act or the regulations, prescribing the amounts of, and governing, those fees and charges;
- (aa) respecting penalties for failure to comply with the requirements mentioned in clauses (c), (x) and (x.1), including providing for the manner in which those penalties are to be determined or assessed and authorizing the minister to determine or assess the penalties and to waive all or any portion of a penalty;
- (bb) respecting the requirements and standards for the restoration, remediation and reclamation of any area that may have been damaged, contaminated or otherwise affected by oil or gas operations;

(cc) respecting the obligations of licensees and other persons to abandon, restore, remediate or reclaim:

- (i) any well, structure test hole, oil shale core hole or facility; or
- (ii) the site of any well, structure test hole, oil shale core hole or facility;

(dd) prescribing any other purpose for which the minister may make an order pursuant to section 17.01;

(ee) respecting the storage, handling, transportation, treatment, consumption and disposition of oil, gas, water, products and other substances;

(ff) respecting the containment, storage, handling, transportation, treatment, processing, recovery, reuse, recycling, destruction and disposal of oil and gas wastes and non-oil-and-gas substances at a well, pipeline, facility or site of a well or facility and the injection, disposal and storage of oil and gas wastes and non-oil-and-gas substances in subsurface formations;

(gg) respecting the venting, flaring, incineration, destruction, or conversion of gas, the burning of oil or gas or any air pollutant emission or noise pollutant emission resulting from the operation of a well, facility or related operation;

(gg.1) controlling, restricting or prohibiting any actions of any person for the purpose of abating noise or controlling noise levels;

(hh) restricting or prohibiting the production of gas from an oil well, and authorizing the minister to make orders restricting or prohibiting the production of gas from an oil well;

(ii) respecting the processing and storing of:

- (i) oil, condensate and gas;
- (ii) oil, condensate and gas products and by-products; and
- (iii) non-oil-and-gas substances or any other substances at a licensed well or facility;

(jj) respecting the forfeiture of machinery, equipment and materials and oil, gas and products pursuant to section 17.06 and the payment of the proceeds, or any portion of the proceeds, from the sale of the machinery, equipment and materials and oil, gas and products to persons who have an interest in them;

(kk) for the purposes of subsection 19(1), prescribing the manner in which orders may be published and exempting orders from the requirement of publication;

(ll) prescribing industries for the purposes of clause 2(1)(j.1);

(mm) prescribing physical waste for the purposes of clause 2(1)(j.2) that is not to be included within the meaning of oil and gas waste;



- (mm.1) for the purposes of section 53.01, prescribing:
  - (i) information that must be submitted to the minister to permit the minister to serve the person by electronic means; and
  - (ii) means and manner of service;
- (mm.2) for the purposes of section 58.1, respecting administrative penalties, including:
  - (i) prescribing the amount of an administrative penalty and, for that purpose, prescribing different amounts for different contraventions; and
  - (ii) prescribing the contraventions of this Act, the regulations, or an order made pursuant to this Act for which a penalty may be assessed;
- (mm.3) for the purposes of section 58.2, prescribing any other documents or material to be filed with the Court of Queen's Bench to appeal the minister's decision;
- (nn) defining, enlarging or restricting the meaning of any word or expression used in this Act but not defined in this Act;
- (oo) prescribing any matter or thing required or authorized by this Act to be prescribed in the regulations;
- (pp) respecting any other matter or thing that the Lieutenant Governor in Council considers necessary to carry out the intent of this Act.

R.S.S. 1965, c.360, s.18; 1966, c.66, s.2; R.S.S. 1978, c.O-2, s.18; 1988-89, c.31, s.7; 1989-90, c.54, s.6; 1990-91, c.39, s.12; 1998, c.30, s.3; 2001, c.26, s.9; 2011, c.11, s.28.

#### Regulations respecting security

**18.01(1)** In this section, “**terrorist activity**” means a terrorist activity as defined in the *Criminal Code*.

(2) For the purposes of addressing security with respect to a terrorist activity or a threat of terrorist activity, the Lieutenant Governor in Council may make regulations:

- (a) prescribing the circumstances in which the minister may order the shut-down of a well, facility or operation in the production of oil or gas;
- (b) respecting the security measures that the owner of a well, facility or operation must undertake with respect to that well, facility or operation and requiring those security measures to be taken;
- (c) respecting appeals from a decision of the minister to shut down a well, facility or operation.

(3) In the event of a conflict between an order made by the minister pursuant to this Part and the regulations made pursuant to this section, the regulations are to prevail.

2003, c.29, s.39; 2011, c.11, s.29.

**Regulations regarding electronic documents and information**

**18.02(1)** The Lieutenant Governor in Council may make regulations:

- (a) governing the development, use and retention of documents and information in electronic form by the ministry and persons dealing with the ministry in carrying out the business processes of the ministry, including:
  - (i) requiring that documents or classes of documents be in an approved electronic format and respecting the manner in which that format is determined or approved, including authorizing the minister to determine the appropriate format;
  - (ii) governing the methods and means of transmission of approved electronic documents or classes of approved electronic documents, including the establishment of rules, procedures and guidelines for their transmission;
  - (iii) governing the means by which the identity and authority of persons who create, submit or send approved electronic documents are verified;
  - (iv) respecting electronic signatures on approved electronic documents and the legal effect of those signatures; and
  - (v) authorizing the minister to determine any of the matters set out in this clause;
- (b) providing that a provision in a regulation made pursuant to subclause (a)(i) or (ii) supersedes another Act or regulation of Saskatchewan with respect to the same subject-matter;
- (c) governing the legal effect and enforceability of approved electronic documents, certified copies of approved electronic documents and endorsements made on approved electronic documents, including:
  - (i) giving an approved electronic document the same effect as if it were in writing and signed;
  - (ii) giving an approved electronic document the same probative force as the original electronic document; and
  - (iii) exempting an approved electronic document from any requirement at law that a document must be in writing or signed;
- (d) authorizing the minister to refuse to accept documents that are not approved electronic documents or do not meet the requirements of or established pursuant to the regulations made pursuant to clauses (a) to (c) with respect to the documents;
- (e) authorizing the minister to establish rules respecting the acknowledgment of receipt of approved electronic documents;

- (f) authorizing the minister to exempt a document or class of document from any requirement of or established pursuant to a regulation made pursuant to clauses (a) to (e), subject to any terms and conditions the minister considers appropriate;
  - (g) governing the applicability of regulations made pursuant to clauses (a) to (f) to the business processes administered by the ministry;
  - (h) respecting the confidentiality of, and the communication of and access to, reports, returns, estimates, declarations, records and other information obtained pursuant to this Act.
- (2) Notwithstanding any other Act or law, if a regulation is enacted pursuant to clause (1)(b), it operates to supersede another Act or regulation of Saskatchewan specified in the regulation.

2011, c.11, s.30.

**18.1 Repealed.** 2001, c.26, s.10.

**Regulations re oil and gas sales information**

**18.2** Notwithstanding any other provision of this Act, for the purpose of formulating and implementing policy for the development, conservation and management of the oil and gas resources of Saskatchewan and monitoring developments in the oil and gas market in Saskatchewan and in oil and gas markets outside Saskatchewan, the Lieutenant Governor in Council may make regulations:

- (a) requiring sales contracts, records and returns related to oil, gas and products and the marketing of oil, gas and products to be submitted to the minister;
- (b) requiring the keeping of records and returns for the purposes of this section;
- (c) prescribing information to be included in records and returns for the purposes of this section;
- (d) respecting the confidentiality requirements to be observed in connection with contracts, records and returns submitted to the minister pursuant to this section.

2011, c.11, s.31.

**Confidentiality**

**18.3** No officer or employee of the ministry shall communicate to any person any information contained in any contracts, records or returns submitted to the minister pursuant to regulations made pursuant to section 18.2, except as authorized in those regulations.

1988-89, c.31, s.8; 2011, c.11, s.32.

**18.4 Repealed.** 2001, c.26, s.11.

## c. O-2

## OIL AND GAS CONSERVATION

**Publication and effective date**

**19(1)** Unless otherwise specified in the regulations, every order made pursuant to this Act must be published in the Gazette or in the prescribed manner and comes into force on the day on which it is published or on the day specified in the order.

(2) A regulation or order made pursuant to this Act may be made retroactive to a day not earlier than two years preceding the day on which the regulation or order is made.

1988-89, c.31, s.9; 1990-91, c.39, s.13; 2001,  
c.26, s.12.

**20 Repealed.** 1990-91, c.39, s.14.

## PART III.1

**Oil and Gas Revolving Fund**

**20.1 to 20.9 Repealed.** 1993, c.35, s.2.

## PART III.2

**Oil and Gas Orphan Fund****Oil and Gas Environmental Fund Continued as Oil and Gas Orphan Fund**

**20.91(1)** The Oil and Gas Environmental Fund established pursuant to *The Oil and Gas Conservation Regulations, 1985* is continued as the Oil and Gas Orphan Fund.

(2) Subject to subsection 20.93(2) and the regulations made pursuant to clause 20.98(g), the primary purpose of the orphan fund is to provide financing for the abandonment, restoration, remediation or reclamation of wells and facilities, and the sites of wells and facilities, where the obligations of the person responsible for carrying out those activities are not being met.

2001, c.26, s.13; 2011, c.11, s.33.

**Fund advisory committee**

**20.92(1)** The minister may establish a fund advisory committee to advise the minister with respect to any matter related to the administration of the orphan fund and to perform any other prescribed functions.

(2) No action or proceeding lies or shall be commenced against any member of the fund advisory committee where that member is acting pursuant to the authority of this Act or the regulations, for anything in good faith done, caused or permitted or authorized to be done, attempted to be done or omitted to be done by that member pursuant to or in the exercise or supposed exercise of any power conferred by this Act or the regulations or in the carrying out or supposed carrying out of any order made pursuant to this Act or any duty imposed by this Act or the regulations.

2001, c.26, s.13.

**Deposit and use of moneys in the orphan fund**

**20.93(1)** Notwithstanding *The Financial Administration Act, 1993*, the following shall be deposited in the orphan fund and not in the general revenue fund:

- (a) orphan fund fees collected pursuant to sections 8.1, 10 and 10.1;
  - (b) payments pursuant to a letter of credit or other form of security when authorized by regulations made pursuant to clause 16(m) or 18(n.3);
  - (c) when authorized by the regulations, proceeds from the sale of machinery, equipment or materials forfeited to the Crown in right of Saskatchewan pursuant to section 17.06;
  - (d) moneys recovered by the minister pursuant to section 20.94;
  - (e) fees levied in accordance with regulations made pursuant to clause 20.98(c).
- (2) The minister may use money from the orphan fund for any purpose prescribed in the regulations.

2001, c.26, s.13.

**Recovery of amounts used from the orphan fund**

**20.94** Where money from the orphan fund is used to do anything that, pursuant to this Act or any regulation made pursuant to this Act, is the responsibility of another person, the minister may recover the amount expended from the orphan fund from that other person and, for that purpose, may commence an action against the person.

2001, c.26, s.13.

**Investments from the fund**

**20.95(1)** The Minister of Finance may invest any money in the orphan fund in any investments that are authorized in *The Financial Administration Act, 1993* as investments for the general revenue fund.

(2) Profits or interest earned on money invested pursuant to subsection (1) shall be deposited to the orphan fund.

(3) The Minister of Finance may dispose of any securities in which any part of the orphan fund has been invested pursuant to subsection (1), subject to the terms of the investment, in any manner and on any terms that the Minister of Finance considers appropriate.

2001, c.26, s.13.

**Annual report**

**20.96(1)** In each fiscal year of the orphan fund, the ministry shall, in accordance with *The Tabling of Documents Act, 1991*, submit to the minister:

- (a) a report of the activities of the fund for the preceding fiscal year; and
- (b) a financial statement showing the business of the fund for the preceding fiscal year in a form that may be required by Treasury Board.

(2) The minister shall, in accordance with *The Tabling of Documents Act, 1991*, lay before the Legislative Assembly each report and statement mentioned in subsection (1).

2001, c.26, s.13; 2011, c.11, s.34.

#### **Audit of the fund**

**20.97** The Provincial Auditor or any other auditor or firm of auditors that the Lieutenant Governor in Council may appoint shall audit the accounts and financial statements of the orphan fund:

- (a) annually; and
- (b) at any other times that the Lieutenant Governor in Council may require.

2001, c.26, s.13.

#### **Regulations**

**20.98** For the purposes of this Part, the Lieutenant Governor in Council may make regulations:

- (a) defining, enlarging or restricting the meaning of any word or expression used in this Part but not defined in this Part;
- (b) respecting the administration of the orphan fund;
- (c) establishing fees to be levied on wells and facilities and deposited in the orphan fund, determining who is required to pay those fees and providing for their collection;
- (d) authorizing the minister to determine whether a well or facility is inactive for the purposes of the fees to be levied pursuant to clause (c);
- (e) respecting the orphan fund fee to be deposited in the orphan fund;
- (f) authorizing the minister to deposit in the orphan fund all or part of the net proceeds from the sale of machinery, equipment or materials forfeited to the Crown in right of Saskatchewan pursuant to section 17.06;
- (g) prescribing the purposes for which money from the orphan fund may be used and authorizing the minister, in consultation with the fund advisory committee, to carry out those purposes and to determine when money from the orphan fund may be used for those purposes;
- (h) providing for the allocation and payment of all or any part of the administration costs of the orphan fund, including costs related to the fund advisory committee, from the orphan fund;
- (i) respecting the membership of the fund advisory committee;
- (j) respecting the functions of the fund advisory committee;
- (k) prescribing the fiscal year of the orphan fund;

- (l) prescribing minimum amounts to be retained in reserve in the orphan fund;
- (m) prescribing any matter or thing required or authorized by this Part to be prescribed in the regulations;
- (n) respecting any other matter or thing that the Lieutenant Governor in Council considers necessary to carry out the intent of this Part.

2001, c.26, s.13; 2007 c.7, s.5; 2011, c.11, s.35.

#### PART IV

### Oil and Gas Production

#### LIMITATION AND ALLOCATION OF PRODUCTION

##### Limitation of production

**21** The minister shall limit the production of oil and gas to an amount that can be produced without resulting in wasteful operations.

R.S.S. 1965, c.360, s.21; R.S.S. 1978, c.O-2, s.21; 2011, c.11, s.36.

##### Allocation of production

**22** The minister may by order implement a plan for the limitation and allocation of oil production if the production capacity for a type of oil exceeds the market demand or the pipe line capacity.

1990-91, c.39, s.16.

##### One well per drainage unit

**22.1** Unless otherwise ordered by the minister or authorized by the regulations, there shall be not more than one well capable of producing oil or gas per drainage unit.

1990-91, c.39, s.16.

**23 to 26 Repealed.** 1990-91, c.39, s.17.

##### Order re location of well

**27** The minister may:

- (a) make an order permitting a well to be drilled at a location other than the location specified by a regulation or an order of general application; and
- (b) make the order mentioned in clause (a) on any terms and conditions that the minister considers advisable.

1990-91, c.39, s.18.

**28 Repealed.** 1990-91, c.39, s.19.

**29 Repealed.** 1990-91, c.39, s.19.

## POOLING

### Pooling of interests in drainage unit

**30(1)** Where two or more separately owned tracts are embraced within a drainage unit, or where there are separately owned interests in all or part of a drainage unit, the owners of those tracts or interests may pool their interests for the development and operation of the unit.

(2) In the absence of voluntary pooling and on the application of any interested person, the minister may:

- (a) make an order that a hearing be held by the board; or
- (b) request the ministry to review the application.

(3) An application under subsection (2) shall be in writing and shall be accompanied by:

- (a) a proposed pooling plan containing the terms and provisions that the applicant desires to have included in a pooling order;
- (b) such number of copies of the plan as the minister may require; and
- (c) a statement setting forth the reasons why voluntary pooling cannot be effected.

(4) The applicant shall also furnish the minister with such further information and material as he may require.

(5) Upon the recommendation of the board or the ministry, as the case may be, the minister may make an order pooling all interests within the drainage unit for the development and operation of the unit.

R.S.S. 1965, c.360, s.30; R.S.S. 1978, c.O-2,  
s.30; 1988-89, c.31, s.11; 2011, c.11, s.37.

### Contents of pooling order

**31** Every pooling order under section 30 shall provide for:

- (a) the drilling and operation of a well in the drainage unit or, where a well has been drilled in the drainage unit before the making of the order, the operation of that well;
- (b) the payment by the owners of the actual cost of the drilling and operation of the well and the manner in which the payment shall be made, but, where the well has been drilled before the making of the order, the board or the ministry, as the case may be, shall determine the cost or value to be attributed to the well for the purpose of the pooling order;
- (c) the payment, by an owner who fails within the time specified in the order to pay the portion of the cost of drilling and completing the well payable by the owner pursuant to the order, of the surcharge that may be determined by the board or the ministry, as the case may be, but not exceeding two times that amount; and
- (d) the allocation to each owner of the owner's share of production from the drainage unit.

R.S.S. 1965, c.360, s.31; R.S.S. 1978, c.O-2,  
s.31; 1988-89, c.31, s.12; 1990-91, c.39, s.20;  
2001, c.26, s.14; 2011, c.11, s.38.



**Recovery of costs from owner who refuses to pool**

**32** Where an owner refuses to pool his interest, his portion of the costs of drilling and operation including any surcharge, as provided for in the pooling order, shall be recoverable only out of his share of production.

R.S.S. 1965, c.360, s.32; R.S.S. 1978, c.O-2, s.32.

**Effect of pooling order**

**33** Where a drainage unit is covered by a pooling order:

- (a) operations incidental to the drilling of a well in any portion of the unit shall for all purposes be deemed to be operations carried on or conducted by the several owners respectively upon their separately owned tracts in the unit;
- (b) that portion of the production allocated to each tract shall be deemed to have been produced from the tract by a well drilled thereon.

R.S.S. 1978, c.O-2, s.33; 1990-91, c.39, s.21.

## PART V

### Unit Operation

**Hearing by board and recommendation to minister**

**34(1)** On his own motion or on the written application of any interested person, the minister may order that a hearing be held by the board to consider the need for the operation as a unit of an entire field or pool or a portion of a field or pool.

(2) An application under subsection (1) shall be in writing and shall be accompanied by:

- (a) a proposed plan of unit operation containing the terms and provisions that the applicant desires to have included in a unit operation order; and
- (b) such number of copies of the plan as the minister may require.

(3) The applicant shall also furnish the minister with such further information and material as he may require.

(4) Following a hearing, the board may recommend to the minister that the field or pool or a portion of the field or pool be operated as a unit.

R.S.S. 1965, c.360, s.34; R.S.S. 1978, c.O-2, s.34; 1988-89, c.31, s.13; 1990-91, c.39, s.22.

**Order of Lieutenant Governor in Council for unit operation**

**35(1)** Upon the recommendation of the minister after the hearing, the Lieutenant Governor in Council may order that the field or pool or portion thereof be operated as a unit.

(2) An order made pursuant to subsection (1) is to contain any matters that are specified in the regulations.

**c. O-2****OIL AND GAS CONSERVATION**

(3) **Repealed.** 1990-91, c.39, s.23.

(4) **Repealed.** 1990-91, c.39, s.23.

R.S.S. 1978, c.O-2, s.35; 1990-91, c.39, s.23.

**36 Repealed.** 1990-91, c.39, s.24.

**Property held by operator as trustee**

**37** All property acquired by the operator for the purpose of conducting the unit operation under a unit operation order shall be held by him as trustee and agent for and on behalf of the owners of the working interests as those interests may appear under the unit operation plan, and the order providing for unit operation shall be construed as an operating arrangement and shall not be construed as affecting or transferring title to the property or entitling an owner of a separately owned tract to an undivided interest in all tracts included in the unit area.

R.S.S. 1965, c.360, s.37; 1966, c.66, s.4; R.S.S. 1978, c.O-2, s.37; 1966, c.66, s.4.

**Powers and duties of operator**

**38(1)** The operator under a unit operation order shall exercise generally all the powers incidental to the proper conduct and management of the unit operation.

(2) The operator under a unit operation order may contract and may sue and be sued in his own name with respect to the duties, functions and powers imposed or conferred upon him by or pursuant to this Act.

R.S.S. 1965, c.360, s.38; 1966, c.66, s.38; R.S.S. 1978, c.O-2, s.38.

**Operations not in accordance with unit operation order prohibited**

**39** From and after the date on which a unit operation order comes into force, and while the order remains in force, no person shall carry on any operations within the unit area therein described for the purpose of drilling for or producing oil or gas except in accordance with the order.

R.S.S. 1965, c.360, s.39; R.S.S. 1965, c.360, s.39.

**Rehearing by board**

**40(1)** An order under section 35 may provide for a rehearing by the board upon the application of any interested party on or after a future date specified in the order.

(2) On the recommendation of the minister following:

(a) a rehearing mentioned in subsection (1); or

(b) an application by the operator with the approval of the unit operating committee;

the Lieutenant Governor in Council may:

- (c) amend or revise a unit operation order in order to supply any deficiency in the order or to meet changing conditions;
- (d) alter or revoke any provision in the unit operation order that the Lieutenant Governor in Council considers to be unfair or inequitable; and
- (e) add any area that the minister believes to be underlaid by the pool or one of the pools underlying the unit area to the unit area described in the unit operation order.

R.S.S. 1965, c.360, s.40; R.S.S. 1978, c.O-2, s.40; 1988-89, c.31, s.14.

**Unit area may include previously established unit area**

**41(1)** An order under section 35 may provide that the unit area established thereby shall include a unit area established by a previous order or agreement for unit operation.

(2) The order, in providing for allocation of unit production from the unit area, shall first treat the previously established unit area as a single tract, and the portion of unit production allocated to the previously established unit area shall then be allocated among the separately owned tracts included in the previously established unit area in the same proportions as those specified in the previous order or agreement for unit operation.

R.S.S. 1965, c.360, s.41; 1966, c.66, s.6; R.S.S. 1978, c.O-2, s.41.

**Effect of unit operation order**

**42** The portion of unit production allocated to a separately owned tract under a unit operation order shall for all purposes be deemed to have been actually produced from that tract, and operations conducted pursuant to a unit operation order shall for all purposes be deemed to be operations carried on or conducted for the production of oil and gas from each separately owned tract in the unit area in the fulfilment of all the express or implied obligations of the owner of the tract or of a producer under each lease and any contract applicable thereto insofar as the same relates to the field, pool or portion thereof covered by the order.

R.S.S. 1965, c.360, s.42; 1966, c.66, s.7; R.S.S. 1978, c.O-2, s.42.

**Further powers of minister**

**43** The Lieutenant Governor in Council may confer upon and vest in the minister any power deemed necessary or advisable to enable him to carry out the provisions of any unit operation order.

R.S.S. 1965, c.360, s.43; R.S.S. 1978, c.O-2, s.43.

**c. O-2****OIL AND GAS CONSERVATION****Agreement for unit operation**

**44(1)** Notwithstanding anything in this Part, the owners and any other person having a proprietary interest in the oil or gas in a field or pool or any portion of such field or pool may enter into an agreement for the operation of such field or pool or portion thereof as a unit.

(2) A unit operation agreement entered into under subsection (1) shall set forth a scheme or plan for combining the interests of the owners and other persons having a proprietary interest in the common source of supply of oil or gas in the field or pool or portion thereof.

(3) An executed copy of an agreement for unit operation entered into under subsection (1) shall be filed with the minister prior to the effective date of the unit operation. All amendments to such an agreement shall also be filed with the minister.

1966, c.66, s.8; R.S.S. 1978, c.O-2, s.44.

**PART VI****Practice and Procedure Relating to Hearings**

**45 to 51 Repealed.** 1990-91, c.39, s.25.

**PART VII****Miscellaneous**

**52 Repealed.** 1990-91, c.39, s.25.

**Address for service**

**53(1)** Every person who is the owner of a well or facility or who is a licensee, permittee or holder of a minister's approval pursuant to this Act shall register with the minister an address in Saskatchewan and an email address for service on that person of any communication given or made pursuant to this Act or the regulations.

(2) Every person mentioned in subsection (1) who is not a resident of Saskatchewan shall have an agent in Saskatchewan and shall register with the minister the agent's name, address in Saskatchewan and email address for service on that person of any communication given or made pursuant to this Act or the regulations.

2011, c.11, s.39.

**Service of communication**

**53.01(1)** In this section, "**business day**" means a day other than a Saturday, Sunday or holiday.

(2) Any communication required by this Act or the regulations to be given or served may be given or served:

(a) by personal service;

(b) by ordinary or registered mail to the last known address of the person being served;

- (c) on a person mentioned in subsection (6), by electronic means; or
  - (d) by any other prescribed means.
- (3) A communication served by ordinary mail or registered mail is deemed to have been received on the fifth business day following the day of its mailing, unless the person to whom it is mailed establishes that through no fault of the person, the person did not receive it or that the person received it at a later date.
- (4) A communication served by electronic means is deemed to have been received on the second business day after it is sent.
- (5) Service of a communication to be sent by any other prescribed means is to be proved in the prescribed manner.
- (6) Every person mentioned in subsection 53(1):
- (a) is deemed to have consented to receive any communication from the minister pursuant to this Act or the regulations by electronic means established by the minister; and
  - (b) shall provide the minister with the prescribed information to permit the minister to serve that person by electronic means.
- (7) Irregularity in the service of a communication does not affect the validity of an otherwise valid communication.

2011, c.11, s.39.

#### **Immunity**

**53.1** Notwithstanding any other Act or law, no action lies or shall be instituted against the minister, the ministry, or any officer or employee of the ministry or any agent of the minister for any loss or damage suffered by a person by reason of anything in good faith done, caused, permitted or authorized to be done, attempted to be done or omitted to be done, by any of them, pursuant to or in exercise of or supposed exercise of any power conferred by this Act or the regulations or in the carrying out or supposed carrying out of any order made pursuant to this Act or any duty imposed by this Act or the regulations.

1990-91, c.39, s.27; 2011, c.11, s.40.

#### **Recovery of debt owing to the minister**

**53.2(1)** In this section and section 53.5, “**debt owing to the minister**” means any money owing to the minister pursuant to this Act or the regulations, including money to be deposited to the orphan fund.

- (2) Where there is any debt owing to the minister by any person, the minister may:
- (a) certify the amount of the debt, and any penalty or interest owing respecting that amount, in a certificate; and
  - (b) file that certificate at any judicial centre with the local registrar of the Court of Queen’s Bench.

- (3) A certificate filed pursuant to subsection (2):
- (a) is to be served, within 30 days after filing, on the person who is the subject of the certificate, but failure to serve the certificate within 30 days does not affect the validity of the certificate; and
  - (b) has the same force and effect as if it were a judgment obtained against the person in the Court of Queen's Bench for the recovery of a debt in the amount specified in the certificate, together with any reasonable costs and charges respecting its filing.
- (4) Notwithstanding *The Enforcement of Money Judgments Act*, amounts owed pursuant to this Act have priority over the claims of all enforcing judgment creditors, whether or not the Crown is also an enforcing judgment creditor with respect to those amounts.
- (5) In subsection (4), '**enforcing judgment creditor**' means enforcing judgment creditor as defined in *The Enforcement of Money Judgments Act*.

2001, c.26, s.16; 2007, c.7, s.7; 2010, c.E-9.22, s.213.

#### Collection from third parties

- 53.3(1)** In this section, "**third party**" means a person who is, or is about to become, indebted to or liable to pay money to a person who is the subject of a certificate filed pursuant to section 53.2.
- (2) Where a certificate has been filed pursuant to section 53.2, the minister may serve a notice of intention on the person who is the subject of the certificate advising that person of the minister's intention to serve a demand on a third party.
- (3) Not sooner than seven days after serving the notice of intention, the minister may serve a demand on a person who is a third party in relation to the person who is the subject of the certificate requiring that all or any part of the money payable by the third party to that person be paid to the minister immediately on it becoming payable to that person.
- (4) A demand does not apply to any amount payable by a third party where that amount is payable:
- (a) after 30 days following the day on which the demand is served; or
  - (b) after a period not greater than six months that the minister may specify in the demand following the day on which the demand is served.
- (5) Payment to the minister by a third party of an amount pursuant to this section discharges the liability of the third party to the person who is the subject of the certificate to the extent of that amount.

(6) Where a third party is served with a demand pursuant to this section and subsequently discharges any liability to the person who is the subject of the certificate or fails to comply with the demand, that third party is liable to the Crown in right of Saskatchewan to the extent of the lesser of:

- (a) the amount of liability discharged to the person who is the subject of the certificate; and
- (b) the amount specified in the demand.

2001, c.26, s.16; 2007, c.7, s.7.

**Service of demand or certificate**

**53.4(1)** A certificate mentioned in section 53.2 and a demand or notice mentioned in section 53.3 may be served personally or by registered mail sent to the last known address of the person being served.

(2) A certificate, demand or notice served by registered mail is deemed to have been received on the seventh day following the day of its mailing unless the person to whom it was mailed establishes that, through no fault of his or her own, it was not received or was received on a later date.

2001, c.26, s.16.

**Processes for collecting debts additional**

**53.5** The processes for the collection of a debt owing to the minister set out in sections 53.2 to 53.4 are in addition to any other means by which a debt may be collected according to law.

2001, c.26, s.16.

**Action re principals**

**53.6(1)** The minister may make a declaration pursuant to subsection (2), if:

- (a) a licensee or working interest participant:
  - (i) fails to comply with any provision of the Act or regulations;
  - (ii) fails to comply with any order made pursuant to this Act; or
  - (iii) has an outstanding debt to the minister, or to the account of the orphan fund, with respect to suspension, abandonment or reclamation costs; and
- (b) the minister considers it in the public interest to make a declaration.

(2) In the circumstances mentioned in subsection (1), the minister may make a declaration setting out the nature of the failure to comply or the outstanding debt and naming one or more directors, officers, agents or other persons who, in the minister's opinion, were directly or indirectly in control of the licensee or working interest participant at the time of the failure to comply or failure to pay.

(3) Before the minister makes a declaration pursuant to subsection (2), the minister shall give to any person affected by the proposed declaration:

- (a) written notice of the minister's intended action and the reasons for the intended action; and
- (b) an opportunity to make written submissions to the minister within 10 business days after the written notice mentioned in clause (a) is given, as to why the intended action should not be taken.

(4) The minister is not required to give an oral hearing to any person to whom a notice has been given pursuant to subsection (3).

(5) After considering any representations made pursuant to clause (3)(b), the minister shall:

- (a) make a declaration pursuant to subsection (2); or
- (b) determine that no declaration should be made.

(6) The minister shall serve a copy of his or her decision pursuant to subsection (5) on any person to whom notice was given pursuant to subsection (3).

(7) If the person named in a declaration made pursuant to subsection (2) is the licensee, applicant, transferor or transferee mentioned in any of clauses (a) to (e), or a director, officer, agent or other person who, in the minister's opinion, is directly or indirectly in control of the licensee, applicant, transferor or transferee mentioned in any of clauses (a) to (e), the minister may do all or any of the following:

- (a) suspend any operations of a licensee pursuant to this Act;
- (b) refuse to consider an application for a licence from an applicant;
- (c) refuse to consider an application to transfer a licence from an applicant, licensee transferor or transferee pursuant to this Act;
- (d) require the submission of abandonment and reclamation deposits in an amount determined by the minister before granting any licence or transfer to an applicant, transferor or transferee pursuant to this Act;
- (e) require the submission of abandonment and reclamation deposits in an amount determined by the minister for any wells or facilities of any licensee.

(8) This section applies with respect to a failure to comply or an outstanding debt whether the failure to comply or the debt arose before or after the coming into force of this section.



## PART VIII Prohibitions, Offences and Penalties

### Wasteful operations

**54** No person shall engage in or commit any wasteful operations.

2011, c.11, s.42.

### Permit required to use gas for certain purposes

**55(1)** No gas shall be used, consumed or otherwise disposed of in the province until a permit authorizing the use, consumption or disposition is granted by the minister.

(2) An application for a permit authorizing the use, consumption or disposition of gas shall be accompanied by evidence that the use, consumption or disposition is for a beneficial purpose and in the public interest.

(3) A permit granted under this section shall:

- (a) authorize the use, consumption or disposition of the gas for the purpose or purposes specified in the permit; and
- (b) designate the period for which the permit is granted;

and may be made subject to such other terms and conditions as the minister may specify therein.

(4) The holder of a permit shall not assign, transfer or otherwise dispose of any right, title or interest, or portion thereof, granted by the permit without the consent in writing of the minister.

R.S.S. 1965, c.360, s.54; R.S.S. 1978, c.O-2,  
s.55; 1988-89, c.31, s.17.

### Removal of gas by approval of minister

**56(1)** For the purposes of developing, conserving and managing the gas resources of Saskatchewan, the minister may, on application and after consideration of:

- (a) the extent of current gas reserves in Saskatchewan and the trends in discovery of new reserves;
- (b) the present and reasonably foreseeable future gas consumption and use requirements of Saskatchewan persons;
- (c) Saskatchewan gas volumes committed under previously authorized removal permits;
- (d) the economic benefits to Saskatchewan; and
- (e) the public interest of Saskatchewan;

issue a gas removal permit to an applicant on any terms and conditions that he considers appropriate or amend a gas removal permit.

(2) The removal of gas from Saskatchewan is prohibited unless a permit authorizing the removal is granted by the minister pursuant to this section.

(3) Notwithstanding subsection (1) and any permit, if in the opinion of the minister emergency conditions exist that create actual or potential shortages of gas for Saskatchewan persons, the minister may, for the purpose of alleviating the conditions, order the diversion of any gas authorized by permit to be removed for as long as the conditions persist.

(4) Every person who applies for a gas removal permit pursuant to this section shall, in addition to providing any other information that the minister may require, submit to the minister contract and market information as described in section 18.2 and in any regulations made pursuant to that section relating to the sale of gas that is the subject of the removal permit.

1988-89, c.31, s.18.

**Suspension of section 55 or 56**

**56.1(1)** In this section, “**permit**” means:

- (a) in the case of a minister’s order pursuant to subsection (2) respecting section 55, a permit granted pursuant to section 55;
  - (b) in the case of a minister’s order pursuant to subsection (2) respecting section 56, a permit granted pursuant to section 56;
  - (c) in the case of a minister’s order pursuant to subsection (2) respecting both sections 55 and 56, a permit granted pursuant to section 55, section 56 or both sections 55 and 56.
- (2) The minister may, by order, suspend the requirements and the operation of section 55, section 56 or both sections 55 and 56.
- (3) A permit that was in force on the day an order was made pursuant to subsection (2) continues in force, but the person who, on the day the order comes into force, holds the permit is not required to comply with the terms and conditions of the permit while the order is in force.
- (4) If the minister rescinds an order made pursuant to subsection (2):
- (a) a permit that was in force on the day the order was made continues in force after the rescinding of the order, subject to the terms and conditions of the permit, unless the holder of the permit has voluntarily cancelled or surrendered the permit to the minister or the permit has expired; and
  - (b) the holder of the permit may rely on the permit without having to obtain a new permit.

1998, c.30. s.4.

**Sale, etc., of illegal oil or gas prohibited**

**57** No person shall sell, purchase or acquire, transport, process or handle illegal oil, illegal gas or illegal product.

2011, c.11, s.43.

**Forfeiture**

**58(1)** The minister may order that any illegal oil, illegal gas or illegal products or the proceeds from the disposition of illegal oil, illegal gas or illegal products be forfeited to the Crown in right of Saskatchewan.

(2) In an order pursuant to subsection (1), the minister may direct a person to deliver immediately to the minister:

- (a) the illegal oil, illegal gas or illegal product that is forfeited; or
- (b) where the person is no longer in possession of the illegal oil, illegal gas or illegal product:
  - (i) oil, gas or product in a quantity and quality that is equivalent to that of the illegal oil, illegal gas or illegal product that is forfeited; or
  - (ii) the proceeds of disposition of the illegal oil, illegal gas or illegal product or an amount equivalent to the proceeds of disposition.

1990-91, c.39, s.28; 2011, c.11, s.44.

**Administrative penalty**

**58.1(1)** The minister may assess a penalty in the prescribed amount against any person for prescribed contraventions of this Act, the regulations or an order made pursuant to this Act.

(2) Before assessing a penalty, the minister shall provide notice to the person:

- (a) setting out the facts and circumstances that, in the minister's opinion, render the person liable to a penalty;
- (b) specifying the amount of the penalty that the minister considers appropriate in the circumstances; and
- (c) informing the person of the person's right to make representations to the minister.

(3) No penalty is to be assessed by the minister more than three years after the act or omission that renders the person liable to a penalty first came to the knowledge of the minister.

(4) A person to whom notice is sent pursuant to subsection (2) may make representations to the minister respecting whether or not a penalty should be assessed and the amount of any penalty.

(5) Representations pursuant to subsection (4) must be made within 30 days after the person received the notice pursuant to subsection (2).

(6) After considering any representations made pursuant to subsection (5), the minister may:

- (a) assess a penalty and set a date by which the penalty is to be paid in full; or
- (b) determine that no penalty should be assessed.

- (7) The minister shall serve a copy of his or her decision pursuant to subsection (6) on the person who made the representations.
- (8) The minister may file in the Court of Queen's Bench a certificate signed by the minister and setting out:
  - (a) the amount of the penalty assessed pursuant to subsection (6); and
  - (b) the person from whom the penalty is to be recovered.
- (9) A certificate filed pursuant to this section has the same force and effect as if it were a judgment obtained in the Court of Queen's Bench for the recovery of a debt in the amount set out in the certificate, together with reasonable costs and charges with respect to its filing.
- (10) The minister may assess a penalty pursuant to this section notwithstanding that the facts and circumstances giving rise to the penalty arose due to the actions of an employee, helper, contractor or agent of the person required to pay the penalty.

2011, c.11, s.45.

**Appeal to the Court of Queen's Bench re administrative penalty**

- 58.2(1)** Any person aggrieved by a decision of the minister to impose an administrative penalty pursuant to section 58.1 may appeal that decision on a question of law to a judge of the Court of Queen's Bench within 30 days after the date of the minister's decision.
- (2) The record of appeal pursuant to subsection (1) consists of:
    - (a) the minister's decision;
    - (b) any written representations made to the minister by the person named in the decision;
    - (c) the notice of motion commencing the appeal;
    - (d) any other prescribed documents or material; and
    - (e) any other material that the Court of Queen's Bench may require.
  - (3) On hearing an appeal pursuant to this section, the judge of the Court of Queen's Bench may issue an order:
    - (a) confirming the administrative penalty;
    - (b) amending the amount of the administrative penalty; or
    - (c) quashing the minister's decision to assess an administrative penalty.
  - (4) In an order pursuant to subsection (3), the judge of the Court of Queen's Bench may specify the period within which the order must be complied with.

2011, c.11, s.45.

**Offences**

**59(1)** No person shall:

- (a) make or cause to be made a false statement or provide false information to the minister or any person acting on behalf of the minister in any report, document or other form of communication required pursuant to this Act, the regulations or an order made pursuant to this Act;
  - (b) omit or cause to be omitted full, true and correct information in any report, document or other form of communication required pursuant to this Act, the regulations or an order made pursuant to this Act;
  - (c) omit to state a fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made to the minister or any person acting on behalf of the minister;
  - (d) destroy, mutilate, alter, falsify or remove from Saskatchewan any report, document, records or other form of communication required by this Act, the regulations or an order made pursuant to this Act or cause any information to be to be destroyed, mutilated, altered, falsified or removed from Saskatchewan;
  - (e) obstruct or interfere with the minister or any person acting on behalf of the minister in the exercise of any of the powers conferred by this Act, the regulations or an order made pursuant to this Act; or
  - (f) fail to comply with this Act, the regulations or an order made pursuant to this Act.
- (2) Every person who contravenes a provision of this Act, the regulations or an order made pursuant to this Act is guilty of an offence and liable on summary conviction to:
- (a) a fine not exceeding \$500,000 for each day or part of a day during which the offence continues;
  - (b) imprisonment for a term not exceeding one year; or
  - (c) both that fine and imprisonment.
- (3) If a person is convicted of an offence pursuant to this Act and the court is satisfied that as a result of the commission of the offence monetary benefits accrued to the offender, the court may order the offender to pay, in addition to a fine pursuant to subsection (2), a fine in an amount equal to the court's estimation of the amount of those monetary benefits.
- (4) Every director, officer or agent of a corporation who directed, authorized, assented to, acquiesced in or participated in an act or omission of the corporation that would constitute an offence by the corporation is guilty of that offence and is liable on summary conviction to the penalties provided for that offence whether or not the corporation has been prosecuted or convicted.

**Additional order from convicting court**

**59.1(1)** In addition to or instead of any penalty imposed pursuant to this Act, the convicting court, having regard to the nature of the offence and the circumstances surrounding its commission, may make an order doing one or more of the following:

- (a) requiring the convicted person to remove a substance in a manner and within the period specified by the order;
  - (b) prohibiting the convicted person from doing any act or engaging in any activity that, in the opinion of the court, may result in the continuation of the offence;
  - (c) directing the convicted person to repair, mitigate or minimize any damage to the environment or subsurface formations that resulted from the commission of the offence in a manner and within the period specified by the order, or to restore or reclaim any property that has been damaged as a result of the commission of the offence in a manner and within the period specified by the order;
  - (d) requiring the convicted person to take steps to prevent any damage to the environment or subsurface formations that may result from the commission of the offence in a manner and within the period specified by the order;
  - (e) directing the convicted person to pay to the minister an amount of money as compensation, in whole or in part, for the cost of any corrective action taken by or at the direction of the minister as a result of the commission of the offence;
  - (f) requiring the convicted person to do any other thing that, in the opinion of the court, is necessary in the circumstances.
- (2) An order made pursuant to subsection (1) may contain any other conditions with respect to the circumstances of the offence and of the person who committed or contributed to the commission of the offence as the court considers appropriate to prevent similar unlawful conduct or to contribute to the rehabilitation of the person.

2011, c.11, s.46.

**Vicarious liability**

**59.2** In any prosecution of a person for an offence pursuant to this Act, it is sufficient proof of the offence to establish, in the absence of any evidence that the offence was committed without the person's knowledge, that it was committed by an employee, helper or agent of the person, whether or not the employee, helper or agent:

- (a) is identified; or
- (b) has been prosecuted or convicted for the offence.

2011, c.11, s.46.

**Limitation on prosecutions**

**59.3** No prosecution for a contravention of this Act or the regulations is to be commenced more than three years after the facts on which the alleged contravention is based first came to the knowledge of the minister.

2011, c.11, s.46.

**60 Repealed.** 2011, c.11, s.47.

**Offence**

**60.1** Every person summoned as a witness pursuant to subsection 7.5(5) who refuses or fails to:

- (a) attend;
- (b) answer questions;
- (c) produce documents, records, books, data, plans, maps, specifications, drawings, samples or other property or things;

is guilty of an offence and liable on summary conviction to a fine not exceeding \$25,000.

1990-91, c.39, s.31; 2011, c.11, s.48.

**61 Repealed.** 2011, c.11, s.49.

**Prosecution does not bar action for damages**

**62** A prosecution under this Act shall not deprive any person suffering damage or injury of any cause of action he may have.

R.S.S. 1965, c.360, s.61; R.S.S. 1978, c.O-2, s.62.

**Minister may apply for compliance order**

**63(1)** The minister may apply to a judge of the Court of Queen's Bench for all or any of the following:

- (a) an order compelling a person to comply with this Act, the regulations, an order made pursuant to this Act or the terms and conditions of a licence, permit or minister's approval;
- (b) an order enjoining any person from proceeding contrary to this Act, the regulations, an order made pursuant to this Act or the terms and conditions of a licence, permit or minister's approval.

(2) On an application pursuant to this section, the judge of the Court of Queen's Bench may make the order requested or any other order that the judge considers appropriate on any terms and conditions that the judge considers appropriate.

(3) The minister may apply for an order pursuant to subsection (1) regardless of whether an order pursuant to this Act has been made with respect to the matter.

2011, c.11, s.50.

**Effect of payment of penalty and of forfeiture**

**64** The payment of a penalty shall not operate to legalize any oil, gas or product involved in the violation in respect of which the penalty is imposed; and the payment of a penalty or the forfeiture of any oil, gas or product shall not relieve a person from liability to any other person for damages arising out of the violation in respect of which the penalty is imposed or the forfeiture is incurred.

R.S.S. 1965, c.360, s.63; R.S.S. 1978, c.O-2, s.64.

**Remedies for enforcement of regulation or order**

**65** Where the minister has more than one remedy for the enforcement of any regulation or order or for the payment of any money payable pursuant to any regulation or order made under this Act, the minister may resort to any or all such remedies from time to time as he may deem proper, either concurrently or successively, until such time as the regulation or order has been complied with or the money payable thereunder together with all costs and expenses has been fully paid and satisfied.

R.S.S. 1965, c.360, s.64; R.S.S. 1978, c.O-2, s.65.

## PART IX

### Petroleum Registry

**Petroleum registry**

**66(1)** The petroleum registry is established.

(2) The minister is responsible for the administration, maintenance and operation of the registry.

(3) The minister may use the registry in accordance with this Act and the regulations for the purposes of administering oil and gas operations in Saskatchewan.

(4) The minister may require any person to submit prescribed information and to carry out any duties imposed on the person by this Act and the regulations through the registry in accordance with this Act and the regulations.

(5) If the minister requires a person to comply with subsection (4), the minister shall cause notice of the requirement to be given to the person in any manner that the minister considers appropriate to bring the requirement to that person's attention.

2011, c.11, s.51.



**Disclosure of information**

**67** Notwithstanding any other provision of this Act, any other Act or law or the terms of an agreement:

- (a) the provision of information to the registry by the minister or any employee of the ministry or to any person employed or engaged to operate or maintain the registry for the purposes of the registry:
  - (i) is deemed not to be a disclosure or communication of information that this Act, any other Act or law or any agreement requires to be kept confidential; and
  - (ii) is deemed not to be a contravention of any provision of this Act, any other Act or law or any agreement that requires the information to be kept confidential; and
- (b) the minister and the employees of the ministry shall preserve the confidentiality of the information in accordance with the provisions of this Act, any other Act or law and the terms of any agreement.

2011, c.11, s.51.

### **Editorial Appendix**

**Sections 3 to 5 of *The Oil and Gas Conservation Amendment Act, 1993*, being chapter 35 of the *Statutes of Saskatchewan, 1993*, provide for transitional application of this Act as follows:**

#### **TRANSITIONAL**

**“Winding-up of Oil and Gas Revolving Fund**

- 3(1) In this section and in sections 4 and 5, “**revolving fund**” means the Oil and Gas Revolving Fund established pursuant to section 20.2 of *The Oil and Gas Conservation Act* as that section existed prior to the coming into force of this Act.
- (2) All assets and liabilities of the revolving fund are transferred at their book value to the consolidated fund.
- (3) The revolving fund ceases to exist after March 31, 1993.
- (4) All assets and liabilities of the revolving fund as of March 31, 1993 become the assets and liabilities of the consolidated fund as of April 1, 1993.
- (5) After March 31, 1993:
  - (a) all assets, revenues and liabilities accruing to the revolving fund are deemed to have accrued to the consolidated fund;
  - (b) all deposits made to the revolving fund are deemed to have been made to the consolidated fund; and

- (c) all payments made from the revolving fund are deemed to have been appropriated from and made from the consolidated fund.

**“Transitional – annual report**

4(1) Notwithstanding the repeal of Part III.1 of *The Oil and Gas Conservation Act*, the Department of Energy and Mines, in accordance with *The Tabling of Documents Act*, 1991, shall prepare and submit to the Minister of Energy and Mines a financial statement showing the business of the revolving fund for the fiscal year ending March 31, 1993.

(2) The financial statement is to be in a form required by Treasury Board.

(3) In accordance with *The Tabling of Documents Act*, 1991 the Minister of Energy and Mines shall lay the financial statement before the Assembly.

**“Transitional – audit**

5 Notwithstanding the repeal of Part III.1 of *The Oil and Gas Conservation Act*, the Provincial Auditor shall audit the accounts and transactions of the revolving fund for the fiscal year ending on March 31, 1993.”

(b) to pay for all expenses relating to the establishment and operation of the board pursuant to sections 7 to 7.9;

(c) to pay for all expenses relating to the administration of the revolving fund”.

1993, c.35, s.3 to 5.

**Section 33 of *The Oil and Gas Conservation Amendment Act, 1991*, being chapter 39 of the *Statutes of Saskatchewan, 1990-91*, provides for transitional application of this Act as follows:**

**“Transitional**

**33 If:**

(a) a payment is made out of the consolidated fund on or after April 1, 1991; and

(b) the payment mentioned in clause (a) would have been a prescribed expense if:

(i) it is within the scope of regulations that are:

(A) made pursuant to subclause 20.9(a)(i) of *The Oil and Gas Conservation Act* as being enacted by this Act; and

(B) made retroactive on and from April 1, 1991;

the payment is deemed to be a payment made on behalf of the Oil and Gas Revolving Fund pursuant to section 20.4 of *The Oil and Gas Conservation Act*, as being enacted by this Act”.

1990-91, c.39, s.33.