

1990-91
CHAPTER 39

An Act to amend The Oil and Gas Conservation Act

(Assented to June 18, 1991)

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows:

Short title¹ This Act may be cited as The Oil and Gas Conservation Amendment Act, 1991.

R.S.S. 1978, c.O-2 amended

2 The Oil and Gas Conservation Act is amended in the manner set forth in this Act.

Section 2 amended³ Subsection 2(1) is amended:

- (a) by repealing clause (a);
- (b) by adding the following clause before clause (b):
"board"⁴"(a.1) `board' means the Oil and Gas Conservation Board established pursuant to section 7";
- (c) by repealing clause (c);
- (d) by striking out "a well" in clause (d) and substituting "one or more wells";
- (e) by striking out "product derived" in clause (h) and substituting "commodity derived";
- (f) by repealing clause (i);
- (g) by adding the following clause after clause (j):
"non-oil-and-gas waste"
"(j.1) `non-oil-and-gas waste' means effluent from industries other than the oil and gas industry";
- (h) by repealing clause (l) and substituting the following:
"pool"⁵"(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";
- (i) by repealing clause (o); and
- (j) by repealing subclauses (p)(iv) to (vi) and substituting the following:
"(iv) the inefficient or improper storage of oil or gas".

Section 3 amended⁴ Section 3 is amended:

- (a) by renumbering it as subsection (1);
- (b) by repealing clauses (1)(c) and (d) and substituting the following:
"(c) to allow each owner the opportunity of obtaining that owner's share of the oil or gas from a pool";
- (c) by striking out "for use in the province by the people of Saskatchewan" in clause (1)(e); and
- (d) by adding the following subsections after subsection (1):
"(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.

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“(3) The minister may determine when the public interest requires that one purpose set out in subsection (1) be given priority over another”.

New sections 6.1 to 6.3

5 The following sections are added after section 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.

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.

Delegation“6.3(1) The minister may:

- (a) appoint any officer of the department to perform any of the duties or exercise any of the powers conferred by this Act or the regulations on the minister that, in the opinion of the minister, may conveniently be performed or exercised by the officer; and
- (b) impose any limit or condition on an appointment pursuant to clause (a) that the minister considers necessary or advisable.

“(2) A duty performed or a power exercised by an officer who is authorized to do so by an appointment pursuant to subsection (1) is deemed to be a duty performed or a power exercised by the minister”.

New sections 7 to 7.9

6 Section 7 is repealed and the following substituted:

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

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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.

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 department, 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 department; or
 - (b) the board, commission or agency;
- that employs the officer or employee authorizes the officer or employee to do so.

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.

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Referral where board not established

“7.2(1) Where:

- (a) a board has not been established pursuant to section 7; or
- (b) the minister considers it advisable;

the minister may direct an official of the department to do any of the things mentioned in subsection 7.11(1).

“(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.

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;
- (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.

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.

Investigative powers

“7.31(1) Subject to subsections (2) and (3), a member, officer or employee of the board may, at any reasonable time, for any purpose relating to a hearing, inquiry or investigation pursuant to this Act, enter without a warrant any land or premises where the business of a licensee or operator is carried on, any property is kept or any thing done in connection with the business of a licensee or operator, or any books or records may be kept for the purposes of:

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- (a) collecting data;
- (b) making inspections, studies and investigations;
- (c) examining books, records and documents;
- (d) examining, checking, testing and gauging equipment and property;
- (e) requiring the production of documents and property for the purposes of examination or the making of copies;
- (f) making any inquiries related to the hearing, inquiry or investigation.

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

- (a) carry out any copying of documents with reasonable dispatch;
- (b) give a receipt for any documents removed for copying; and
- (c) on completion of copying, return the documents to the person who produced them.

“(3) The member, officer or employee of the board shall not enter a private dwelling without a warrant issued pursuant to subsection (7) unless the occupier of the dwelling consents to the entry.

“(4) For the purposes of subsection (1), the member, officer or employee of the board may require the licensee or operator or any representative, agent, officer or employee of the licensee or operator to give all reasonable assistance to the member, officer or employee.

“(5) The licensee or operator or representative, agent, officer or employee of the licensee or operator shall comply with the requirement of a member, officer or employee of the board pursuant to subsection (4) within any time that the member, officer or employee of the board may prescribe.

“(6) Where a person:

- (a) refuses to permit a member, officer or employee of the board:
 - (i) to enter land or premises pursuant to subsection (1); or
 - (ii) to carry out any of the activities described in subsection (1); or
- (b) fails to produce documents or property pursuant to clause (1)(e);

a member, officer or employee of the board may make application to a justice of the peace or a judge of the Provincial Court of Saskatchewan for a warrant to be issued pursuant to subsection (7).

“(7) Where a justice of the peace or a judge of the Provincial Court of Saskatchewan is satisfied by the oath of a member, officer or employee of the board that the member, officer or employee believes on reasonable and probable grounds:

- (a) that:
 - (i) there are or may be documents or property described in subsection (1) at the place described in that subsection; and

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- (ii) the person who has or may have possession or custody of those documents or that property refuses to produce those documents or that property or permit the copying of those documents; or
 - (b) that a licensee or operator or a representative, agent, officer or employee of a licensee or operator refuses to permit the member, officer or employee of the board:
 - (i) to enter the land or premises described in subsection (1); or
 - (ii) to carry out any of the activities described in subsection (1);the justice of the peace or judge may issue a warrant under his or her hand.
- “(8) A warrant issued pursuant to subsection (7) authorizes the person named in the warrant to enter the place named in the warrant and the premises connected with that place to:
- (a) examine the place and connected premises;
 - (b) carry out the activities described in subsection (1); and
 - (c) search for and seize and take possession of any books, records, documents and property described in subsection (1).

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.

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.

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.

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“(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.

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.

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.

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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.

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.

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.

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”.

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Section 8 amended⁷ Section 8 is amended by striking out “or drill” and substituting “, drill, operate or produce from”.

New section 9⁸ Section 9 is repealed and the following substituted:

Registration⁹ No corporation or partnership is entitled to be issued a licence unless the corporation or partnership has complied with the laws of Saskatchewan respecting the registration of corporations or partnerships, as the case may be”.

New sections 11 to 13

9 Sections 11 to 13 are repealed and the following substituted:

Issue of licence¹¹(1) If, in the opinion of the minister, an applicant for a licence has complied with this Act and the regulations and orders made pursuant to this Act, the minister shall issue the licence on any terms and conditions that the minister considers advisable.

“(2) A licence issued pursuant to subsection (1) or pursuant to section 11 as it existed on the day before this section is assented to is deemed to be a licence to spud in, drill, operate or produce from a well, notwithstanding anything contained in the licence.

Assignment or transfer of licence

“12(1) No licence issued pursuant to this Act shall be assigned or transferred without the prior written consent of the minister.

“(2) The minister shall not unreasonably withhold consent to an assignment or transfer pursuant to subsection (1).

“(3) A licensee remains responsible for all the duties and obligations of a licensee pursuant to this Act and the regulations and orders made pursuant to this Act until the consent of the minister to an assignment or transfer is given.

Transfer of certain licences

“12.1(1) Where a licensee ceases to be an owner with respect to the oil or gas capable of being produced from a well, an applicant may apply to the minister to have the licence for the well transferred to the applicant.

“(2) Subject to subsection (3), the minister may transfer a licence for a well to an applicant mentioned in subsection (1).

“(3) The minister shall provide 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.

Cancellation or suspension of licence

“13(1) Subject to subsection (2), where the minister is satisfied that a licensee has contravened:

(a) a provision of this Act or a regulation or order made pursuant to this Act; or

(b) a term or condition of the licence;

the minister may cancel or suspend the licence, on any terms or conditions that the minister considers advisable.

“(2) Before cancelling or suspending a licence pursuant to subsection (1), the minister shall give the

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licensee:

- (a) not less than 30 days' notice in writing of the minister's intention to cancel or suspend the licence; and
- (b) an opportunity to be heard.

“(3) The notice mentioned in clause (2)(a) is to be directed to the licensee's address for service mentioned in section 53.

“(4) The minister shall determine the manner in which a licensee's opportunity to be heard pursuant to clause (2)(b) is to be exercised.

“(5) The minister may cancel or suspend a licence on the written request of the licensee”.

Sections 14 and 15 repealed

10 Sections 14 and 15 are repealed.

New sections 17 to 17.2

11 Section 17 is repealed and the following substituted:

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;

(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 analyses to the department;

(k) respecting the disposal of oil-and-gas wastes and non-oil-and-gas wastes;

(l) classifying wells as oil or gas wells if the minister considers it necessary for the application and enforcement of this Act;

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- (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 natural gas and natural gas products;
- (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.

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) drilling, producing from and operating horizontal wells;
 - (ii) water flooding;
 - (iii) pressure maintenance;
 - (iv) steam injection;
 - (v) in situ combustion;
 - (vi) introducing any substance into the producing formation;
- (b) disposing of oil-and-gas wastes or non-oil-and-gas wastes in subsurface formations.

“(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 for approval.

“(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.

Paramourncy of orders“17.2 In the event of a conflict between an order made pursuant to section 17 or 17.1 and a regulation made pursuant to section 18, the order shall prevail”.

Section 18 amended¹² Section 18 is amended:

- (a) by adding “, the establishment of set-back distances, the establishment of target areas” after “spacing of wells” in subclause (a)(i);
- (b) by repealing subclause (a)(viii) and substituting the following:
“(viii) metering or measuring of oil or gas in pipe lines, gathering systems or other places”;
- (c) by repealing clause (e) and substituting the following:
“(e) governing the testing of gas wells”;

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- (d) by striking out “and the furnishing of bonds deemed necessary in connection with the administration of this Act,” in clause (k); and
- (e) by adding the following clauses after clause (p):
 - “(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;
 - “(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 data acquired in the course of administering the Act, the regulations and orders made pursuant to the Act;
 - “(w) respecting the matters that are to be included in an order made pursuant to subsection 35(1);
 - “(x) requiring the submission of information, respecting the form and manner in which information is to be submitted and prescribing penalties for failure to comply with these requirements;
 - “(y) requiring the furnishing of bonds or other security that the Lieutenant Governor in Council considers necessary to guarantee the performance of any obligations pursuant to this Act or the regulations;
 - “(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) defining, enlarging or restricting the meaning of any term used in this Act but not defined in this Act;
 - “(bb) respecting any other matter or thing that the Lieutenant Governor in Council considers necessary to carry out the purposes of this Act”.

Section 19 amended¹³ Subsection 19(2) is repealed and the following substituted:

- “(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”.

Section 20 repealed¹⁴ Section 20 is repealed.

New Part III.¹¹⁵ The following Part is added after Part III:

“PART III.1 Oil and Gas Revolving Fund

Interpretation of Part

“20.1 In this Part:

“fee”(a) `fee' includes a tax;

“prescribed”(b) `prescribed' means prescribed in the regulations;

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“revolving fund”(c) `revolving fund' means the Oil and Gas Revolving Fund established pursuant to section 20.2.

Revolving fund established

“20.2(1) A revolving fund called the Oil and Gas Revolving Fund is established.

“(2) The minister shall administer the revolving fund.

“(3) The fiscal year of the revolving fund is the period commencing on April 1 in one year and ending on March 31 in the next year.

Purposes of fund“20.3 The minister may use the revolving fund to pay expenses incurred to exercise the powers, perform the duties and carry out the functions of the minister with respect to the oil and gas industry pursuant to this Act and the regulations and:

- (a) The Crown Minerals Act;
- (b) The Department of Energy and Mines Act;
- (c) The Freehold Oil and Gas Production Tax Act;
- (d) The Mineral Resources Act, 1985;
- (e) The Pipe Lines Act; and
- (f) regulations made pursuant to the Acts set out in clauses (a) to (e).

Payments on behalf of revolving fund

“20.4 Subject to section 20.7, the Minister of Finance shall pay out of the consolidated fund on behalf of the revolving fund any sum of money that the minister may require:

- (a) to pay for prescribed expenses or categories of expenses incurred to exercise the powers, perform the duties or carry out the functions that are mentioned in section 20.3;
- (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.

Fee“20.5(1) Every person who, on a prescribed day:

- (a) is the holder of a licence issued pursuant to Part II; or
- (b) in the case of a unit operation pursuant to Part V, is an operator under a unit operation pursuant to Part V;

shall pay a fee in the prescribed amount with respect to each well in each category of well for which the person holds a licence or that is included in the unit, as the case may be.

“(2) A fee mentioned in subsection (1) is to be paid to the minister on or before a prescribed day.

“(3) Subject to subsection (4), a person who fails to pay a fee or portion of a fee pursuant to subsection (1) on or before the prescribed day is liable to pay interest at the rate of one and one-half percent on the amount that is unpaid, for each month or portion of a month that the amount remains unpaid, from the prescribed day.

“(4) The minimum amount that is payable pursuant to subsection (3) for any month or portion of a month is \$10.

“(5) The payment of interest pursuant to subsection (3) shall not be construed as extending the time for

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payment of the fee beyond the prescribed day.

“(6) Where an operator under a unit operation pursuant to Part V fails to pay a fee or portion of a fee pursuant to subsection (1) on or before the prescribed day:

(a) the minister may cancel or suspend the licences issued with respect to each well included in the unit; and

(b) if the minister cancels or suspends licences pursuant to clause (a), subsections 13(2) to (4) apply, with any necessary modification, to the suspension or cancellation.

“(7) Nothing in this section prevents an operator under a unit operation pursuant to Part V from recovering the fee mentioned in subsection (1) in accordance with the unit operation order or agreement.

“(8) In any fiscal year, the total amount of the fees levied pursuant to subsection (1) is to approximate 50% of the total of the amounts estimated to be paid out pursuant to section 20.4 in that fiscal year.

“(9) Where the total amount of the fees collected in a fiscal year pursuant to subsection (1) does not approximate 50% of the total of the amounts paid out pursuant to section 20.4 in that fiscal year, the Lieutenant Governor in Council shall take this into account in prescribing the fee for a subsequent fiscal year.

Amounts credited to revolving fund

“20.6 All:

(a) fees collected pursuant to subsection 20.5(1); and

(b) all costs of the board that are paid by a party pursuant to subsection 7.61(2); are to be paid to the Minister of Finance and credited to the revolving fund.

Credit limit of revolving fund

“20.7 The total of payments made or deemed to be made by the Minister of Finance on behalf of the revolving fund less any amounts credited to the revolving fund is not to exceed an amount that may be set by order of the Lieutenant Governor in Council.

Annual report“20.8(1) With respect to each fiscal year of the revolving fund, the minister shall, in accordance with The Tabling of Documents Act, submit to the Lieutenant Governor in Council a financial statement showing the business of the fund for the immediately preceding fiscal year, in a form that may be required by the Treasury Board.

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

Regulations“20.9 The Lieutenant Governor in Council may make regulations:

(a) for the purposes of section 20.4:

(i) prescribing and governing:

(A) expenses;

(B) categories of expenses;

(C) portions of expenses; and

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- (D) portions of categories of expenses;
incurred by the minister to exercise the powers, perform the duties or carry out the functions that are mentioned in section 20.3, that may be paid out of the revolving fund; and
- (ii) governing the manner of determining the amount of any item prescribed pursuant to subclause (i);
- (b) for the purposes of subsection 20.5(1):
- (i) prescribing a day with reference to which the liability of a licence holder or an operator under a unit operation pursuant to Part V to pay a fee is to be determined;
- (ii) establishing categories of wells and prescribing the amounts of fees payable with respect to categories of wells;
- (c) for the purposes of subsection 20.5(2), prescribing a day on or before which fees mentioned in subsection 20.5(1) are to be paid”.

New section 2216 Section 22 is repealed and the following substituted:

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.

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”.

Sections 23 to 26 repealed

17 Sections 23 to 26 are repealed.

New section 2718 Section 27 is repealed and the following substituted:

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”.

Sections 28 and 29 repealed

19 Sections 28 and 29 are repealed.

Section 31 amended20 Clause 31(d) is repealed and the following substituted:

“(d) the allocation to each owner of the owner's share of production from the drainage unit”.

Section 33 amended21 Clause 33(b) is amended by striking out “allowable”.

Section 34 amended22(1) Subsection 34(1) is amended by adding “or a portion of a field or pool” after “pool”.

(2) Subsection 34(4) is repealed and the following substituted:

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“(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”.

Section 35 amended²³(1) Subsection 35(2) is repealed and the following substituted:

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

(2) Subsections 35(3) and (4) are repealed.

Section 36 repealed²⁴ Section 36 is repealed.

Sections 45 to 52 repealed

²⁵ Sections 45 to 52 are repealed.

Section 53 amended²⁶ The following subsections are added after subsection 53(2):

“(3) Any document or notice required by this Act, the regulations or an order made pursuant to this Act to be given or served is, unless otherwise provided for, to be mailed by registered mail to the address for service mentioned in subsection (1).

“(4) A document or notice served by registered mail is conclusively deemed to have been received on the seventh day following the day of its mailing”.

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New section 53.127 The following section is added after section 53:

Immunity“53.1 Notwithstanding any other Act or law, no action lies or shall be instituted against the minister, the department, or any officer or employee of the department 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”.

New section 58.28 Section 58 is repealed and the following substituted:

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 producer to deliver immediately to the minister:

- (a) the illegal oil, illegal gas or illegal product that is forfeited; or
- (b) where the producer 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”.

Section 59 amended29 Section 59 is amended:

- (a) by striking out “\$10,000” wherever it occurs and in each case substituting “\$50,000”;
- (b) by renumbering it as subsection 59(1); and
- (c) by adding the following subsection after subsection (1):

“(2) In this section, ‘order’ includes an order of the minister or the board made in the exercise of an authority given by this Act or the regulations”.

Section 60 amended 30 Section 60 is amended by striking out “\$10,000” and substituting “\$50,000”.

New section 60.131 The following section is added after section 60:

“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 \$5,000”.

Section 61 amended32 Section 61 is amended:

- (a) by adding “, the regulations or an order made pursuant to this Act” after “Act” in clause (a); and

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(b) by striking out "not less than \$10 and not more than \$200" and substituting "not more than \$5,000".

Transitional³³ 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.

Coming into force³⁴(1) Subject to subsections (2) and (3), this Act comes into force on the day of assent, but is retroactive and is deemed to have been in force on and from January 1, 1989.

(2) Sections 15 and 33 of this Act come into force on the day of assent, but are retroactive and are deemed to have been in force on and from April 1, 1991.

(3) Sections 28 to 32 of this Act come into force on the day of assent.