

**2001**

## **CHAPTER 26**

An Act to amend *The Oil and Gas Conservation Act*

(Assented to June 28, 2001)

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

**Short title**

**1** This Act may be cited as *The Oil and Gas Conservation Amendment Act, 2001*.

**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 amended**

**3 Subsection 2(1) is amended:**

**(a) by adding the following clause after clause (e):**

“(e.1) **‘fund advisory committee’** means the fund advisory committee established pursuant to section 20.92”;

**(b) by adding the following clauses after clause (h):**

“(h.1) **‘licence’** means a licence issued pursuant to section 9 or 14;

“(h.2) **‘licensee’** means a person who holds a licence”;

**(c) by repealing clause (j.1) and substituting the following:**

“(j.1) **‘non-oil-and-gas waste’** means physical waste prescribed for the purposes of this clause from industries other than the oil and gas 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”;

**(d) by adding the following clause after clause (l):**

“(l.1) **‘prescribed’** means prescribed in the regulations”;

**(e) by adding the following clauses after clause (n):**

“(n.1) **‘site’** means, when used in relation to a well, structure test hole, oil shale core hole, upstream facility or any other oil or gas facility, the site of the well, structure test hole, oil shale core hole, upstream facility or other oil or gas facility and the area immediately adjacent to that site;

“(n.2) **‘upstream facility’** means:

- (i) an oil battery, whether for one well or more than one well;
- (ii) a produced-water disposal facility;
- (iii) a water, gas or miscible flood injection facility;
- (iv) an enhanced oil recovery facility;
- (v) a satellite;
- (vi) a gas processing plant;
- (vii) a gas compressor facility that is part of the production operations of a gas well or group of gas wells; or
- (viii) any other facility designated in the regulations as an upstream facility;

but does not include:

- (ix) an oil or gas pipeline or any facility related to an oil or gas pipeline that is regulated pursuant to the legislation under which the pipeline is licensed;
- (x) waste processing facilities approved pursuant to the regulations;
- (xi) a refinery or upgrader; or
- (xii) any facility designated in the regulations as not being an upstream facility”; **and**

**(f) by repealing subclause (p)(i) and substituting the following:**

“(i) oil and gas waste”.

**Section 7.31 amended**

**4 Subsection 7.31(5) is amended by striking out “prescribe” and substituting “determine”.**

**New Part II****5 Part II is repealed and the following substituted:****“PART II  
Licences****“Licence required**

**8(1)** No person shall, without a licence authorizing that activity:

- (a) spud in, drill, operate, produce from, suspend the operation of or abandon a well; or
- (b) construct, alter, operate, suspend the operation of or abandon an upstream facility.

(2) Subsection (1) does not apply where a person is carrying out any activity mentioned in that subsection for the purpose of complying with an order made by the minister pursuant to section 17.01.

**“Application for licence**

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

- (a) apply to the department in the prescribed form;
- (b) include with the application the prescribed information and material and any other information and material that the minister may require;
- (c) submit the prescribed fee to the department; and
- (d) in the case of a first time applicant as defined in the regulations, submit the prescribed orphan fund fee.

**“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.

**“Compliance with licence required**

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

**“Transfer of licence restricted**

**10(1)** A licence is not transferable unless:

- (a) the written approval of the minister is first obtained; and
  - (b) the person to whom the licence is to be transferred meets the prescribed eligibility requirements for applicants.
- (2) A licensee who wishes to transfer the licence shall:
- (a) apply to the department in the prescribed form;
  - (b) include with the application the prescribed information and material and any other information and material that the minister may require; and
  - (c) submit the prescribed fee to the department.
- (3) The minister may:
- (a) approve the transfer of a licence if the minister is satisfied that:
    - (i) the applicant has complied with this Act and the regulations;
    - (ii) the person to whom the licence is to be transferred meets the prescribed eligibility requirements and has submitted the prescribed orphan fund fee if required by the regulations to do so; and
    - (iii) it is in the public interest to do so; or
  - (b) refuse to approve the transfer of the licence.
- (4) 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.
- (5) 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.
- (6) The minister shall not unreasonably withhold approval for the transfer of a licence.

**“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) An applicant for the transfer of a licence pursuant to this section shall:
- (a) apply to the department in the prescribed form;
  - (b) include with the application the prescribed information and material and any other information and material that the minister may require;
  - (c) submit the prescribed fee to the department; and
  - (d) in the case of a first time applicant as defined in the regulations, submit the prescribed orphan fund fee.

- (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) the person to whom the licence is to be transferred meets the prescribed eligibility requirements; and
    - (iii) 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.

**“Notice of contravention**

**11** Where a licensee contravenes any provision of this Act or the regulations or any term or condition in the licence or no longer meets the prescribed eligibility requirements to hold a licence, the minister may, in writing, require the licensee to remedy the contravention or comply with the eligibility requirements within a specified time.

**“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 where:
- (a) the licensee is in agreement with the amendment, suspension or cancellation;
  - (b) the licensee fails to remedy a contravention or comply with the eligibility requirements within the time specified pursuant to section 11;
  - (c) the security required pursuant to section 15 has not been provided in the amount and within the time required; or
  - (d) the licensee repeatedly contravenes one or more provisions in this Act or the regulations or terms or conditions in the licence.

(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 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) For the purposes of section 8, a licence that is suspended pursuant to this section is, for the period of the suspension, deemed not to have been issued.

**“Wells to be named**

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

**“Transitional**

**14(1)** Subject to subsection (2) and to section 15, where, on the coming into force of this Part, a licence is required for the operation of an upstream facility that existed on the day before this Part came into force, the minister shall issue a licence to a person who meets the prescribed eligibility requirements for applicants as though that 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.

**“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, upstream facilities and the sites of wells and upstream facilities are satisfied:

(a) as a condition of a person becoming a licensee pursuant to section 9, 10, 10.1 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 upstream facilities in relation to which the licensee holds a licence and the sites of those wells and upstream 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.

**“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 2(1)(n.2), designating facilities that are or are not upstream facilities;

(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”.

**Section 17 amended**

**6(1) Clause 17(1)(k) is repealed and the following substituted:**

“(k) respecting the containment, storage, handling, transportation, treatment, processing, recovery, reuse, recycling, destruction and disposal of oil and gas waste and non-oil-and-gas waste”.

**(2) Clause 17(1)(n) is repealed and the following substituted:**

“(n) respecting the processing and storing of:

- (i) oil, condensate and natural gas; and
- (ii) oil, condensate and natural gas products and byproducts”.

**New sections 17.01 to 17.06**

**7 The following sections are added after section 17:**

**“Minister’s orders for the protection of the environment**

**17.01(1)** Notwithstanding any licence, permit or approval, where, 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, upstream facility or any other oil or gas 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, upstream facility or any other oil or gas facility, or the site of any well, structure test hole, oil shale core hole, upstream facility or any other oil or gas 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.

**“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.

**“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.

**“Power to take immediate action**

**17.04(1)** Notwithstanding section 17.01, where 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, he or she may, in any manner and by any method he or she considers appropriate:

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

**“Enforcement powers**

**17.05(1)** Subject to subsection (2), the minister may, at any reasonable time, for any purpose relating to the administration or enforcement of this Act or the regulations or any order made by the minister, enter without a warrant, and with any machinery, equipment or materials, any land where a well, structure test hole, oil shale core hole, upstream facility or any other oil or gas facility is located.

- (2) The minister shall not enter a private dwelling without a warrant issued pursuant to subsection (6) unless the occupier of the dwelling consents to the entry.
- (3) For the purposes of subsection (1), the minister may require the licensee or operator, any representative, agent, officer or employee of the licensee or operator or any other person present on the land to give all reasonable assistance to the minister.
- (4) The licensee or operator, representative, agent, officer or employee of the licensee or operator or other person shall comply with the requirement of the minister pursuant to subsection (3) within any time that the minister may determine.
- (5) The minister may apply to a justice of the peace or a judge of the Provincial Court of Saskatchewan for a warrant pursuant to subsection (6) where:
- (a) a person refuses to permit the minister to enter land pursuant to subsection (1); and
  - (b) the minister believes, on reasonable grounds, that entry to the land is necessary for the purpose set out in subsection (1).
- (6) A justice of the peace or judge may issue a warrant where he or she is satisfied by the oath of the minister that there are reasonable grounds for believing:
- (a) that entry to the land is necessary for the purpose set out in subsection (1); and
  - (b) that the minister has been denied entry to the land described in subsection (1) for the purposes set out in that subsection.
- (7) A warrant issued pursuant to subsection (6) authorizes the person named in the warrant to enter the land named in the warrant to:
- (a) examine the land; and
  - (b) carry out the activities described in subsection (1).

**“Forfeiture of machinery, etc.**

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

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

## New section 17.2

**8 Section 17.2 is repealed and the following substituted:****“Paramourncy 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”.

## Section 18 amended

**9(1) Subclause 18(a)(ii) is repealed and the following substituted:**

“(ii) the identification of ownership of wells, upstream facilities, any other oil or gas facilities, producing leases and pipelines”.

**(2) Subclause 18(a)(vi) is amended by striking out “prescribed” and substituting “determined”.**

**(3) Subclause 18(a)(ix) is amended by striking out “prescribed” and substituting “required”.**

**(4) Clause 18(c) is amended by striking out “prescribing” where it appears for the second time and substituting “respecting”.**

**(5) Clauses 18(g) and (h) are repealed and the following substituted:**

“(g) providing for the taking over of any well, upstream facility or any other oil or gas facility that is a menace to oil, gas or water-bearing formations or to life or property if:

(i) remedial measures are considered necessary; and

(ii) the owner of the well, upstream facility or any other oil or gas 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, upstream facility or any other oil or gas facility;

“(h) respecting the issuance of permits authorizing the drilling of structure test holes and oil shale core holes and prescribing fees for those permits;

“(h.1) respecting the inspection and control of structure test holes and oil shale core holes and the making and submission to the department of logs, core analyses and reports;

“(h.2) respecting the abandonment and reclamation of structure test holes and oil shale core holes”.

**(6) Clause 18(k) is repealed.**

**(7) Subclause 18(n)(ii) is amended by striking out “licence or”.**

**(8) The following clauses are added after clause 18(n):**

“(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”.

**(9) Clause 18(o) is repealed and the following substituted:**

“(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”.

**(10) Clause 18(x) is amended by striking out “prescribing” and substituting “respecting”.**

**(11) Clause 18(y) is repealed.**

**(12) Clauses 18(aa) and (bb) are repealed and the following substituted:**

“(aa) respecting the penalties mentioned in clauses (c) and (x), providing generally 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, upstream facility or any other oil or gas facility; or

(ii) the site of any well, structure test hole, oil shale core hole, upstream facility or any other oil or gas 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 and disposition of oil and natural gas;

“(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 wastes;

“(gg) respecting the venting of natural gas produced from an oil well and the burning of vented gas;

“(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 natural gas; and

(ii) oil, condensate and natural gas products and byproducts;

“(jj) respecting the forfeiture of machinery, equipment and materials 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 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 physical waste 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;

“(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”.

**Section 18.1 repealed**

**10 Section 18.1 is repealed.**

**Section 18.4 repealed**

**11 Section 18.4 is repealed.**

**Section 19 amended**

**12 Subsection 19(1) is repealed and the following substituted:**

“(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”.

## New Part III.2

**13 The following Part is added before Part IV:**

“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 upstream facilities, and the sites of wells and upstream facilities, where the obligations of the person responsible for carrying out those activities are not being met.

**“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.

**“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.

**“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.

**“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.

**“Annual report**

**20.96(1)** In each fiscal year of the orphan fund, the department 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).

**“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.

**“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 inactive wells and upstream facilities and deposited in the orphan fund, determining who is required to pay the fees and providing for their collection;

- (d) authorizing the minister to determine whether a well or upstream 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”.

**Section 31 amended**

**14 Clause 31(c) is repealed and the following substituted:**

“(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 department, as the case may be, but not exceeding two times that amount”.

**Section 53 amended**

**15 Subsections 53(1) and (2) are repealed and the following substituted:**

“(1) Every person who is the owner of a well, an upstream facility or any other oil or gas facility or who is a licensee, permittee or holder of a minister’s approval under this Act shall register with the department an address in Saskatchewan for service on that person of any notice or order 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 department the agent’s name and address in Saskatchewan”.

New sections 53.2 to 53.5

**16 The following sections are added after section 53.1:**

**“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 in the prescribed form; 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.

**“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 in the prescribed form 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 in the prescribed form 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.

**“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.

**“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”.

**Coming into force**

**17** This Act comes into force on proclamation.