

**PART III**

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**UNREVISED REGULATIONS OF SASKATCHEWAN**

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**SASKATCHEWAN REGULATIONS 83/93**

*The Crown Minerals Act*

Section 22

Order in Council 759/93, October 6, 1993

(Filed October 7, 1993)

**Title**

**1** These regulations may be cited as *The Petroleum and Natural Gas Amendment Regulations, 1993*.

**Sask. Reg. 8/69 amended**

**2** “The Petroleum and Natural Gas Regulations, 1969” are amended in the manner set forth in these regulations.

**Section 57 amended**

**3 Section 57 is amended:**

**(a) by adding the following clauses after clause (c.1):**

“(c.11) **‘heavy oil’** means all oil produced within Townships 22 to 37 in Ranges 5 to 29, West of the Third Meridian and all townships north of Township 37, but does not include oil produced from the Viking Formation or from any other geological formation within the meaning of clause 63A(1)(e) deposited more recently than the Viking Formation;

“(c.12) **‘HOP’** means a factor equal to the average heavy oil well-head price, expressed in dollars per cubic metre rounded to the nearest dollar, as estimated and set by the minister in accordance with subsections 57.1(1) and (2)”;

**(b) by adding the following clauses before clause (e):**

“(d.1) **‘K’** means:

(i) for new oil that is heavy oil, a factor determined in accordance with the following formula and rounded to the nearest hundredth:

$$K = 13.0 + \left( \frac{19.5 \times (\text{HOP} - 50)}{\text{HOP}} \right);$$

(ii) for new oil that is non-heavy oil, a factor determined in accordance with the following formula and rounded to the nearest hundredth:

$$K = 19.5 + \left( \frac{26.0 \times (\text{NOP} - 50)}{\text{NOP}} \right);$$

(iii) for old oil, a factor determined in accordance with the following formula and rounded to the nearest hundredth:

$$K = 26.0 + \left( \frac{32.5 \times (\text{NOP} - 50)}{\text{NOP}} \right);$$

“(d.2) ‘MOP’ means a factor equal to the monthly oil production, expressed in cubic metres rounded to the nearest tenth, that is produced from or allocated to the well for the month”;

**(c) by adding the following clause before clause (h):**

“(g.1) ‘non-heavy oil’ means all oil produced in Saskatchewan that is not heavy oil”;

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

“(h.1) ‘NOP’ means a factor equal to the average non-heavy oil well-head price, expressed in dollars per cubic metre rounded to the nearest dollar, as estimated and set by the minister in accordance with subsections 57.1(1) and (2)”; **and**

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

“(q) ‘X’ means a factor determined in accordance with the following formula and rounded to the nearest whole number:

$$X = K \times 23.08 ”.$$

**New section 57.1**

**4 The following section is added after section 57:**

**Minister to estimate and set prices**

“**57.1(1)** Subject to subsection (2), during the last 14 days in a month the minister shall estimate and set the HOP and NOP for that month after consideration of the following:

(a) heavy oil and non-heavy oil prices posted, published or otherwise provided to the department by purchasers of Saskatchewan crude oil production and the relationship of those prices to Saskatchewan heavy oil and non-heavy oil well-head prices;

(b) crude oil transportation charges;

(c) crude oil quality differentials;

(d) competition adjustments being made between Saskatchewan crude oil and other crude oil competing for the same market;

(e) Canadian and American marker crude oil prices such as Edmonton Par postings and West Texas Intermediate futures prices; and

(f) any event or other information that, in the opinion of the minister, may affect the level of Saskatchewan crude oil prices.

(2) The price that the minister shall estimate and set for the HOP and NOP for a month is not to be less than \$50.

(3) The department shall send by ordinary mail to each operator and special operator at the address on record with the department a monthly notice of the HOP and NOP for the month”.

**Section 58 amended**

**5 Subsection 58(1) is amended:**

**(a) by striking out “January 1, 1991” in the portion preceding clause (a) and substituting “November 1, 1993”; and**

**(b) by striking out clause (a) and substituting the following:**

“(a) calculate the appropriate Crown royalty rate, expressed as a percentage of total monthly production, for the well for the month in respect of each category of oil produced from or allocated to the well for the month, which shall be the greater of one per cent or the rate determined in accordance with the following formula:

$$\text{Crown Royalty Rate} = K - \frac{X}{\text{MOP}}”.$$

**Section 59 amended**

**6(1) Subsection 59(1) is amended:**

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

“(a.01) ‘ $C_g$ ’ means a factor determined in accordance with the following formula and rounded to the nearest ten-thousandth:

$$C_g = \frac{K_g}{230.76}”.$$

**(b) by adding the following clauses before clause (f):**

“(e.1) ‘ $GP$ ’ means a factor equal to the average gas price at the fieldgate, expressed in dollars per thousand cubic metres rounded to the nearest dollar, as estimated and set by the minister for a month in accordance with subsection (1.1) and (1.2);

“(e.2) ‘ $K_g$ ’ means:

(i) for new gas, a factor determined in accordance with the following formula and rounded to the nearest hundredth:

$$K_g = 19.5 + \left( \frac{26 \times (GP - 35)}{GP} \right);$$

(ii) for old gas, a factor determined in accordance with the following formula and rounded to the nearest hundredth:

$$K_g = 26 + \left( \frac{32.5 \times (GP - 35)}{GP} \right);$$

“(e.3) ‘ $MGP$ ’ means a factor equal to the monthly gas production, expressed in thousands of cubic metres rounded to the nearest tenth, that is produced from or allocated to the well for the month”; **and**

**(c) by adding the following clause after repealed clause (j):**

“(k) ‘ $X_g$ ’ means a factor determined in accordance with the following formula and rounded to the nearest whole number:

$$X_g = K_g \times 57.69”.$$

**(2) The following subsections are added after subsection 59(1):**

“(1.1) Subject to subsection (1.2), during the last 14 days in a month the minister shall estimate and set the GP for that month after consideration of the following:

- (a) prices specified in gas sales contracts applicable to Saskatchewan gas delivered to purchasers during the month;
- (b) gas transportation charges;
- (c) the historical trend of the percentage of Saskatchewan gas volumes contracted for sale during a month that is actually delivered for sale during the month; and
- (d) any event or other information that, in the opinion of the minister, may effect the level of Saskatchewan gas prices.

“(1.2) The price that the minister shall estimate and set for the GP for a month is not to be less than \$35.

“(1.3) The department shall send by ordinary mail to each operator and special operator at the address on record with the department a monthly notice of the GP for the month”.

**(3) Subsection 59(3) is amended:**

- (a) by striking out “January 1, 1991” in the portion preceding clause (a) and substituting “November 1, 1993”; and
- (b) by repealing the portion in clause (a) following the table.

**Section 63B amended**

**7 Subsection 63B(3.1) is amended:**

- (a) by striking out “determined pursuant to subclause 58(1)(a)(i)” in clause (b); and
- (b) by striking out “determined pursuant to subclause 58(1)(a)(ii)” in clause (c).

**Schedule “F” amended**

**8 Section 3 of Schedule “F” is repealed and the following substituted:**

**Factors K and X**

“3 The factors K and X mentioned in clause 58(1)(a) of the regulations have the following values during the following months:

<i>Month</i>	<i>New Heavy Crude Oil</i>		<i>New Non-Heavy Crude Oil</i>		<i>Old Non-Heavy Crude Oil</i>	
	<i>K</i>	<i>X</i>	<i>K</i>	<i>X</i>	<i>K</i>	<i>X</i>
January, 1991	22.02	508	36.53	843	47.29	1091
February, 1991	14.10	325	33.68	777	43.73	1009
March, 1991	13.00	300	31.96	738	41.57	959
April, 1991	13.00	300	33.46	772	43.45	1003
May, 1991	13.00	300	33.46	772	43.45	1003
June, 1991	15.39	355	33.57	775	43.59	1006
July, 1991	19.84	458	34.93	806	45.29	1045
August, 1991	17.02	393	34.93	806	45.29	1045
September, 1991	18.57	429	34.76	802	45.07	1040
October, 1991	18.37	424	35.50	819	46.00	1062

November, 1991	17.27	399	34.84	804	45.18	1043
December, 1991	13.00	300	32.75	756	42.57	983
January, 1992	13.00	300	31.37	724	40.84	943
February, 1992	14.77	341	32.23	744	41.92	968
March, 1992	17.02	393	32.75	756	42.57	983
April, 1992	20.00	462	33.89	782	43.99	1015
May, 1992	21.03	485	34.58	798	44.84	1035
June, 1992	22.45	518	35.87	828	46.46	1072
July, 1992	22.45	518	35.87	828	46.46	1072
August, 1992	21.67	500	35.26	814	45.70	1055
September, 1992	22.45	518	36.01	831	46.64	1076
October, 1992	23.03	532	36.28	837	46.98	1084
November, 1992	21.16	488	35.26	814	45.70	1055
December, 1992	20.31	469	34.39	794	44.61	1030".

Schedule "G" amended

**9 Section 2 of Schedule "G" is repealed and the following substituted:**

**"Factors  $C_g$ ,  $K_g$  and  $X_g$**

**2** The factors  $C_g$ ,  $K_g$  and  $X_g$  mentioned in clause 59(3)(a) of the regulations have the following values during the following months:

<u>Month</u>	<u>New Gas</u>			<u>Old Gas</u>		
	<u><math>C_g</math></u>	<u><math>K_g</math></u>	<u><math>X_g</math></u>	<u><math>C_g</math></u>	<u><math>K_g</math></u>	<u><math>X_g</math></u>
January, 1991 to December, 1991 inclusive	0.1255	28.95	1670	0.1639	37.82	2182
January, 1992 to April, 1992 inclusive	0.1213	28.00	1615	0.1587	36.63	2113
May, 1992 to September, 1992 inclusive	0.1167	26.93	1554	0.1529	35.29	2036
October, 1992 to December, 1992 inclusive	0.1115	25.72	1484	0.1463	33.77	1948".

**Coming into force**

**10(1)** Subject to subsection (2), these regulations come into force on November 1, 1993.

(2) Sections 8 and 9 of these regulations come into force on November 1, 1993, but are retroactive and are deemed to have been in force on and from October 30, 1992.

**SASKATCHEWAN REGULATIONS 84/93**

*The Freehold Oil and Gas Production Tax Act*

Sections 29 and 32

Order in Council 760/93, October 6, 1993

(Filed October 7, 1993)

**Title**

**1** These regulations may be cited as *The Freehold Oil and Gas Production Tax Amendment Regulations, 1993*.

**Sask. Reg. 11/83 amended**

**2** *The Freehold Oil and Gas Production Tax Regulations, 1983* are amended in the manner set forth in these regulations.

**Section 103 amended**

**3 Section 103 is amended:**

**(a) by adding the following clauses after clause (d.1):**

“(d.11) **‘heavy oil’** means all oil produced within Townships 22 to 37 in Ranges 5 to 29, West of the Third Meridian and all townships north of Township 37, but does not include oil produced from the Viking Formation or from any other geological formation within the meaning of clause 208(1)(e) deposited more recently than the Viking Formation;

“(d.12) **‘HOP’** means the average heavy oil well-head price, expressed in dollars per cubic metre rounded to the nearest dollar, as estimated and set by the minister in accordance with section 201.1”;

**(b) by adding the following clauses before clause (f):**

“(e.1) **‘K’** means:

(i) for new freehold oil that is heavy oil, a factor determined in accordance with the following formula and rounded to the nearest hundredth:

$$K = 13.0 + \left( \frac{19.5 \times (\text{HOP} - 50)}{\text{HOP}} \right);$$

(ii) for new freehold oil that is non-heavy oil, a factor determined in accordance with the following formula and rounded to the nearest hundredth:

$$K = 19.5 + \left( \frac{26.0 \times (\text{NOP} - 50)}{\text{NOP}} \right);$$

(iii) for old freehold oil, a factor determined in accordance with the following formula and rounded to the nearest hundredth:

$$K = 26.0 + \left( \frac{32.5 \times (\text{NOP} - 50)}{\text{NOP}} \right);$$

“(e.2) **‘MOP’** means a factor equal to the monthly oil production, expressed in cubic metres rounded to the nearest tenth, that is produced from or allocated to the well for the month”;

**(c) by adding the following clause before clause (i):**

“(h.1) **‘non-heavy oil’** means all oil produced in Saskatchewan that is not heavy oil”;

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

“(i.1) ‘NOP’ means the average non-heavy oil well-head price, expressed in dollars per cubic metre rounded to the nearest dollar, as estimated and set by the minister in accordance with section 201.1”;

**(e) by adding the following clause before clause (n):**

“(m.1) ‘PTF’ is the production tax factor equal to:

(i) for all freehold oil produced from or allocated to any Crown-acquired lands, the rate of royalty specified in the lease to which those Crown-acquired lands are subject; and

(ii) for all freehold oil produced from or allocated to any freehold lands that are not Crown-acquired lands:

(A) 6.9 for old freehold oil; and

(B) 10.0 for new freehold oil”;

**(f) by adding the following clause after clause (o):**

“(p) ‘X’ means a factor determined in accordance with the following formula and rounded to the nearest whole number:

$$X = K \times 23.08 ”.$$

**New section 201.1**

**4 The following section is added after section 201:**

**Minister to estimate and set prices**

“201.1(1) Subject to subsection (2), during the last 14 days in a month the minister shall estimate and set the HOP and NOP for that month after consideration of the following:

(a) heavy oil and non-heavy oil prices posted, published or otherwise provided to the department by purchasers of Saskatchewan crude oil production and the relationship of those prices to Saskatchewan heavy oil and non-heavy oil well-head prices;

(b) crude oil transportation charges;

(c) crude oil quality differentials;

(d) competition adjustments being made between Saskatchewan crude oil and other crude oil competing for the same market;

(e) Canadian and American marker crude oil prices such as Edmonton Par postings and West Texas Intermediate futures prices; and

(f) any event or other information that, in the opinion of the minister, may affect the level of Saskatchewan crude oil prices.

(2) The price that the minister shall estimate and set for the HOP and NOP for a month is not to be less than \$50.

(3) The department shall send by ordinary mail to each operator and special operator at the address on record with the department a monthly notice of the HOP and NOP for the month”.

**Section 202 amended**

**5 Section 202 is amended:**

**(a) by striking out “January 1, 1991” in the portion preceding clause (a) and substituting “November 1, 1993”; and**

**(b) by striking out clause (a) and substituting the following:**

“(a) calculate the appropriate well tax rate, which is not to be less than zero, expressed as a percentage of total monthly production, for the well for the month in respect of each category of freehold oil produced from or allocated to the well for the month in accordance with the following formula:

$$\text{Well tax rate} = K - \frac{X}{\text{MOP}} - \text{PTF}”.$$

**Section 209 amended**

**6 Subsection 209(3.1) is amended:**

**(a) by striking out “determined pursuant to subclause 202(a)(i)” in clause (b); and**

**(b) by striking out “determined pursuant to subclause 202(a)(iii)” in clause (c).**

**Section 302 amended**

**7(1) Subsection 302(1) is amended:**

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

“(a.1) ‘ $C_g$ ’ means the factor determined in accordance with the following formula and rounded to the nearest ten-thousandth:

**(b) by adding the following clauses before clause (g):**

“(f.1) ‘**GP**’ means the average gas price at the fieldgate, expressed in dollars per thousand cubic metres rounded to the nearest dollar, as estimated and set by the minister for a month in accordance with subsections (1.1) and (1.2)”;

“(f.2) ‘ $K_g$ ’ means:

(i) for new freehold gas, a factor determined in accordance with the following formula and rounded to the nearest hundredth:

$$C_g = \frac{K_g}{230.76}”.$$

(ii) for old freehold gas, a factor determined in accordance with the following formula and rounded to the nearest hundredth:



“(f.3) ‘MGP’ means a factor equal to the monthly gas production, expressed in thousands of cubic metres rounded to the nearest tenth, that is produced from or allocated to the well for the month”; and

(c) by adding the following clauses after clause (h):

“(i) ‘PTF<sub>g</sub>’ means the production tax factor for natural gas, which is to be equal to:

(i) for all freehold gas produced from or allocated to any Crown-acquired lands, the rate of royalty specified in the lease to which those Crown-acquired lands are subject; and

(ii) for all freehold gas produced from or allocated to any freehold lands that are not Crown-acquired lands:

(A) 6.9 for old freehold gas; and

(B) 10.0 for new freehold gas”;

“(j) ‘X<sub>g</sub>’ means a factor determined in accordance with the following formula and rounded to the nearest whole number:

$$X_g = K_g \times 57.69”.$$

**(2) The following subsections are added after subsection 302(1):**

“(1.1) Subject to subsection (1.2), during the last 14 days in a month the minister shall estimate and set the GP for that month after consideration of the following:

(a) prices specified in gas sales contracts applicable to Saskatchewan gas delivered to purchasers during the month;

(b) gas transportation charges;

(c) the historical trend of the percentage of Saskatchewan gas volumes contracted for sale during a month that is actually delivered for sale during the month; and

(d) any event or other information that, in the opinion of the minister, may effect the level of Saskatchewan gas prices.

“(1.2) The price that the minister shall estimate and set for the GP for a month is not to be less than \$35.

“(1.3) The department shall send by ordinary mail to each operator and special operator at the address on record with the department a monthly notice of the GP for the month”.

**(3) Subsection 302(3) is amended:**

**(a) by striking out “January 1, 1991” in the portion preceding clause (a) and substituting “November 1, 1993”; and**

**(b) in subsection (a):**

**(i) by repealing the portion following the table; and**

**(ii) by adding “which is not to be less than nil,” after “well tax rate.”**

**New section 503**

**8 The following section is added after section 502:**

**Associated gas**

**“503 No tax is to be imposed pursuant to section 3 of the Act on any associated gas as defined in section 302”.**

Schedule "C" amended

**9 Section 3 of Schedule "C" is repealed and the following substituted:**

**Factors K and X**

"3 The factors K and X mentioned in clause 202(a) of the regulations have the following values during the following months:

<i>Month</i>	<i>New Heavy Crude Oil</i>		<i>New Non-Heavy Crude Oil</i>		<i>Old Non-Heavy Crude Oil</i>	
	<i>K</i>	<i>X</i>	<i>K</i>	<i>X</i>	<i>K</i>	<i>X</i>
January, 1991	22.02	508	36.53	843	47.29	1091
February, 1991	14.10	325	33.68	777	43.73	1009
March, 1991	13.00	300	31.96	738	41.57	959
April, 1991	13.00	300	33.46	772	43.45	1003
May, 1991	13.00	300	33.46	772	43.45	1003
June, 1991	15.39	355	33.57	775	43.59	1006
July, 1991	19.84	458	34.93	806	45.29	1045
August, 1991	17.02	393	34.93	806	45.29	1045
September, 1991	18.57	429	34.76	802	45.07	1040
October, 1991	18.37	424	35.50	819	46.00	1062
November, 1991	17.27	399	34.84	804	45.18	1043
December, 1991	13.00	300	32.75	756	42.57	983
January, 1992	13.00	300	31.37	724	40.84	943
February, 1992	14.77	341	32.23	744	41.92	968
March, 1992	17.02	393	32.75	756	42.57	983
April, 1992	20.00	462	33.89	782	43.99	1015
May, 1992	21.03	485	34.58	798	44.84	1035
June, 1992	22.45	518	35.87	828	46.46	1072
July, 1992	22.45	518	35.87	828	46.46	1072
August, 1992	21.67	500	35.26	814	45.70	1055
September, 1992	22.45	518	36.01	831	46.64	1076
October, 1992	23.03	532	36.28	837	46.98	1084
November, 1992	21.16	488	35.26	814	45.70	1055
December, 1992	20.31	469	34.39	794	44.61	1030
January, 1993	17.73	409	33.46	772	43.45	1003
February, 1993	19.50	450	34.29	791	44.49	1027
March, 1993	20.75	479	34.48	796	44.73	1032
April, 1993	20.75	479	34.48	796	44.73	1032
May, 1993	20.75	479	34.48	796	44.73	1032
June, 1993	20.75	479	34.48	796	44.73	1032
July, 1993	19.50	450	33.57	775	43.59	1006
August, 1993 and subsequent months	20.16	465	33.89	782	43.99	1015".

Schedule "D" amended

**10 Section 2 of Schedule "D" is repealed and the following substituted:**

**Factors  $C_g$ ,  $K_g$  and  $X_g$**

"2 The factors  $C_g$ ,  $K_g$  and  $X_g$  mentioned in clause 302(3)(a) of the regulations have the following values during the following months:

<i>Month</i>	<i>New Gas</i>			<i>Old Gas</i>		
	$C_g$	$K_g$	$X_g$	$C_g$	$K_g$	$X_g$
January, 1991 to December, 1991 inclusive	0.1255	28.95	1670	0.1639	37.82	2182
January, 1992 to April, 1992 inclusive	0.1213	28.00	1615	0.1587	36.63	2113
May, 1992 to September, 1992 inclusive	0.1167	26.93	1554	0.1529	35.29	2036
October, 1992 to February, 1993 inclusive	0.1115	25.72	1484	0.1463	33.77	1948
March, 1993 and subsequent months	0.1167	26.93	1554	0.1529	35.29	2036".

**Coming into force**

11(1) Subject to subsections (2) and (3), these regulations come into force on November 1, 1993.

(2) Section 8 of these regulations comes into force on November 1, 1993, but is retroactive and is deemed to have been in force on and from June 1, 1987.

(3) Sections 9 and 10 of these regulations come into force on November 1, 1993, but are retroactive and are deemed to have been in force on and from June 1, 1992.

