

**PART III****UNREVISED REGULATIONS OF SASKATCHEWAN**

**NOTE:** This is the fourth amendment to *The Automobile Accident Insurance Regulations, 1981* that was filed in 1997.

**SASKATCHEWAN REGULATIONS 106/97***The Automobile Accident Insurance Act*

## Section 81

Order in Council 790/1997, dated December 17, 1997

(Filed December 18, 1997)

**Title**

**1** These regulations may be cited as *The Automobile Accident Insurance Amendment Regulations, 1997 (No. 5)*.

**Sask. Reg. 2/81 amended**

**2** *The Automobile Accident Insurance Regulations, 1981*, being Saskatchewan Regulations 2/81, are amended in the manner set forth in these regulations.

**Section 27 amended**

**3 Section 27 is amended:**

(a) in subsection (1) by striking out "\$199.99" and substituting "\$299.99"; and

(b) in subsection (3):

(i) by striking out "or (2)"; and

(ii) by striking out "\$205" and substituting "\$305".

**Section 27.1 amended**

**4 Section 27.1 is amended:**

(a) in clause (b) by striking out "\$250" and substituting "\$300";

(b) in clause (c) by striking out "\$400" and substituting "\$550";

(c) by striking out "and" after clause (c);

(d) by adding the following after clause (c):

"(c.1) with respect to the fourth chargeable accident, of \$700;

"(c.2) with respect to the fifth chargeable accident, of \$850;

"(c.3) with respect to the sixth chargeable accident, of \$1,000; and"; and

(e) in clause (d) by striking out "\$100" and substituting "\$200".

**Sections 35 to 40 repealed**

**5 Sections 35 to 40 are repealed.**

## New Appendix A

**6 Appendix A is repealed and the following substituted:**

## “APPENDIX A

<i>Class PV</i>	<i>Comprehensive Deductible</i>
FOR EACH VEHICLE REGISTERED PURSUANT TO <i>THE VEHICLE ADMINISTRATION ACT</i> AS A PRIVATE PASSENGER VEHICLE – CLASS PV	
1. Which is a snowmobile regardless of model year .....	\$ 700
2. Which is a motorcycle (including a motor scooter) used for any purpose and regardless of model year and engine capacity .....	700
3. Which is a pedal cycle with motor attachment .....	350
4. Which is an ambulance and is used as an ambulance .....	700
5. Which is a motor home, regardless of use, model year or value .....	700
6. Which is otherwise not provided for and is a bus .....	700
7. Which is otherwise not provided for and has been assigned a rate category by the insurer and is:	
(a) a hearse and is used as a hearse .....	700
(b) a police car and is used as a police car .....	700
(c) a U-drive car or U-drive truck .....	700
(d) a private car or truck .....	700
(e) a farm car .....	700

*Class T*

FOR EACH VEHICLE REGISTERED PURSUANT TO  
*THE VEHICLE ADMINISTRATION ACT*  
AS A TRAILER OR SEMI-TRAILER (PRIVATE) – CLASS T

1. For each tent, collapsible cabin, or cabin trailer or semi-trailer used for U-drive purposes: the deductible amount is the amount set out in the column headed Comprehensive Deductible opposite the class to which the vehicle belongs.	
2. For each tent trailer .....	\$ 400
3. For each trailer or semi-trailer, other than of cabin or tent type .....	400
4. For each cabin trailer having an estimated present value of:	
Up to and including \$1,000 .....	400
Exceeding \$1,000 .....	500

*Class MT*

FOR EACH VEHICLE REGISTERED PURSUANT TO  
*THE VEHICLE ADMINISTRATION ACT*  
AS A MOTOR TOBOGGAN – CLASS MT

1. Used for U-drive purposes .....	\$ 700
2. Which is otherwise not provided for, regardless of model year and engine capacity .....	700

*Class PS*

FOR EACH VEHICLE REGISTERED PURSUANT TO  
*THE VEHICLE ADMINISTRATION ACT*  
 AS A PASSENGER SCHOOL BUS – CLASS PS

For all passenger school buses, snowmobiles or snowplanes,  
 regardless of model year or seating capacity ..... \$ 700

*Class PB*

FOR EACH VEHICLE REGISTERED PURSUANT TO  
*THE VEHICLE ADMINISTRATION ACT*  
 AS A PUBLIC SERVICE VEHICLE (INTERCITY  
 PASSENGER BUS) – CLASS PB

For all intercity passenger buses, regardless of seating  
 capacity or model year ..... \$ 800

*Class PC*

FOR EACH VEHICLE REGISTERED PURSUANT TO  
*THE VEHICLE ADMINISTRATION ACT*  
 AS A PUBLIC SERVICE VEHICLE (CITY PASSENGER  
 BUS) – CLASS PC

For all city passenger buses, regardless of seating capacity or  
 model year ..... \$ 800

*Class PT*

FOR EACH VEHICLE REGISTERED PURSUANT TO  
*THE VEHICLE ADMINISTRATION ACT*  
 AS A PUBLIC SERVICE VEHICLE (PASSENGER TAXI) – CLASS PT

For all passenger taxis regardless of location ..... \$ 700

*Class A*

FOR EACH VEHICLE REGISTERED PURSUANT TO  
*THE VEHICLE ADMINISTRATION ACT*  
 AS A PUBLIC SERVICE VEHICLE – CLASS A

1. Engaged in the transportation of goods and commodities
  - (a) for each car or truck up to and including a gross  
 weight of 5,000 kg ..... \$ 700
  - (b) for each truck or power unit having a gross weight  
 of 5,001 kg or greater ..... 2,500

*Class C*

FOR EACH VEHICLE REGISTERED PURSUANT TO  
 THE VEHICLE ADMINISTRATION ACT  
 AS A COMMERCIAL VEHICLE – CLASS C

1. For each tractor (not used for farm purposes)  
 regardless of value ..... \$ 700
2. Which is otherwise not provided for:
  - (a) for each truck, regardless of the gross weight,  
 model year, or value ..... 700
  - (b) for each U-drive commercial truck..... 700
  - (c) for each power unit, regardless of gross weight,  
 model year, or value ..... 700

*Class D*

FOR EACH VEHICLE REGISTERED PURSUANT TO  
 THE VEHICLE ADMINISTRATION ACT  
 AS A COMMERCIAL VEHICLE – CLASS D

1. Which is otherwise not provided for:
  - (a) for each truck, regardless of gross weight, value,  
 model year, ..... \$ 700
  - (b) for each U-drive commercial truck..... 700
  - (c) for each power unit, regardless of gross weight, value,  
 model year ..... 700

*Class TS*

FOR EACH VEHICLE REGISTERED PURSUANT TO  
 THE VEHICLE ADMINISTRATION ACT  
 AS A TRAILER OR SEMI-TRAILER (COMMERCIAL) – CLASS TS

- For each trailer or semi-trailer, regardless of value ..... \$ 500

*Class L and LT*

ON EACH APPLICATION FOR A LICENSED  
 DEALER REGISTRATION PURSUANT TO  
 THE VEHICLE ADMINISTRATION ACT – CLASS L OR LT

- (a) Where the registrant is engaged in the business of buying,  
 selling or moving cars, trucks regardless of model year or  
 gross weight ..... \$ 700
- (b) Where the registrant is engaged in the business of buying,  
 selling or moving motorcycles or snowmobiles (as defined  
 in *The Snowmobile Act*) ..... 700
- (c) Where the registrant is engaged in the business of buying,  
 selling, or moving motorized bicycles ..... 350
- (d) Where the registrant is engaged in the business of buying,  
 selling or moving trailers, regardless of type..... 500
- (e) Otherwise not provided for ..... 700

*Class F*

FOR EACH VEHICLE REGISTERED PURSUANT TO  
 THE VEHICLE ADMINISTRATION ACT  
 AS A FARM VEHICLE – CLASS F

1. For each truck, regardless of gross weight ..... \$ 700
2. For each power unit ..... 700
3. For each semi-trailer or gooseneck trailer ..... 500
4. All other trailers ..... 400”.

**Transitional**

**7** A person who, on the day before the coming into force of these regulations, was entitled to a payment or would become entitled to a payment pursuant to sections 35 to 40 as those sections existed on the day before the coming into force of these regulations is entitled to the payment in the amount set forth in sections 35 to 40 as those sections existed on the day before these regulations come into force.

**Coming into force**

**8(1)** Subject to subsection (2), these regulations come into force on January 1, 1998.

(2) If these regulations are filed with the Registrar of Regulations after January 1, 1998, these regulations come into force on the day on which they are filed with the Registrar of Regulations.

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**SASKATCHEWAN REGULATIONS 108/97**

*The Crown Minerals Act*

Section 22

Order in Council 793/1997, dated December 17, 1997

(Filed December 18, 1997)

**Title**

**1** These regulations may be cited as *The Petroleum and Natural Gas Amendment Regulations, 1997 (No. 2)*.

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

**2** “The Petroleum and Natural Gas Regulations, 1969”, being Saskatchewan Regulation 8/69, are amended in the manner set forth in these regulations.

**New section 4.1**

**3 The following section is added before section 5:**

**“Time limit on applications and issuing permits**

**4.1** Notwithstanding any other provision of this Part:

- (a) no person may apply for a permit pursuant to this Part after January 9, 1998; and
- (b) the minister shall not issue a permit pursuant to this Part after April 30, 1998”.

**Section 8 amended**

**4 Subsection 8(1) is amended by striking out** “the Geophysical Exploration Regulations made under *The Mineral Resources Act* from time to time” **and substituting** “*The Sedimentary Basin Geophysical Exploration Regulations, 1985* made pursuant to *The Mineral Resources Act, 1985*”.

**Section 20 amended**

**5 Section 20 is amended by striking out** “sections 21 and 22” **and substituting** “sections 21 to 22”.

**New section 21.1**

**6 The following section is added after section 21:**

**“Lease selections**

**21.1(1)** As an alternative to applying for a lease pursuant to section 21, a permittee pursuant to this Part may apply, in accordance with this section, for one or more leases of the permittee’s permit lands.

(2) Subject to subsection (3), in the permittee’s application pursuant to subsection (1), the permittee shall designate blocks to be leased that comply with the following criteria:

(a) the maximum size of each block is three sections by three sections or 4.8 kilometres by 4.8 kilometres;

(b) each block is to be situated so that any side of one block is at least 1.6 kilometres perpendicularly distant from any side of another block except that the blocks may be diagonally situated so as to have a common corner.

(3) Notwithstanding subsection (2), if a permittee submits evidence satisfactory to the minister that a well drilled in permit lands has resulted in the discovery of gas in commercial quantities, the permittee may designate blocks that are in any configuration.

(4) The maximum area for which a permittee may apply for leases pursuant to this section is 50% of the area of the permittee’s permit lands.

(5) For the purposes of calculating the maximum area that a permittee may apply for pursuant to this section, the permittee shall round the calculation to the nearest quarter section.

(6) Unless otherwise approved by the minister, a permittee shall not designate in a block a unit of land that is less than a complete quarter section:

(a) as determined pursuant to *The Land Surveys Act*; or

(b) if there is no survey pursuant to that Act for the area to be covered by a lease, as determined by the minister.

(7) The minister may reject any application for a lease where, in the opinion of the minister, the permittee has not complied with subsection (6).

(8) Where a lease is issued as a result of an application made pursuant to this section, the effective date of the lease is:

(a) in the case of an application for a lease during the term of the permit, the date of application; or

(b) in the case of an application for a lease within 60 days after the expiry of the permit, the day following the date of expiry”.

**Section 22 amended****7(1) Subsection 22(1) is amended:**

(a) in the portion preceding clause (a) by striking out "Notwithstanding section 21 but as an alternative to section 21 and not in addition thereto" and substituting "Notwithstanding sections 21 and 21.1";

(b) by repealing clause (a);

(c) by striking out "formation" wherever it appears in clauses (b), (c), (d) and (e) and in each case substituting "System"; and

(d) by adding the following clause after clause (e):

"(f) if a permittee submits evidence satisfactory to the minister that a well drilled in permit lands has resulted in the discovery of oil or gas in commercial quantities, the permittee may designate blocks that are in any configuration".

(2) Subsection 22(2) is amended by striking out "formation" wherever it appears and in each case substituting "System".

(3) Subsection 22(4) is amended by striking out "except under clause (a) of subsection (1)".

**New section 23.92****8 The following section is added before section 24:****"Time limit on applications and issuing drilling reservations**

**23.92** Notwithstanding any other provision of this Part:

(a) no person may apply for a drilling reservation pursuant to this Part after January 9, 1998; and

(b) the minister shall not issue a drilling reservation pursuant to this Part after April 30, 1998".

**Section 30 amended**

**9 Section 30 is amended by striking out** "the Geophysical Exploration Regulations made under *The Mineral Resources Act* from time to time" **and substituting** "*The Sedimentary Basin Geophysical Exploration Regulations, 1985* made pursuant to *The Mineral Resources Act, 1985*".

**New Part III.1****10 The following Part is added before Part IV:**

"PART III.1  
Exploration Licences

**"Minister may advertise**

**36.1(1)** On the written request of an interested person or on the minister's own motion, the minister may advertise for sale exploration licences respecting any Crown lands that are not, at the time of the advertisement, subject to disposition pursuant to these regulations.

(2) Any advertisement for bids for exploration licences is to be in accordance with subsection 37(2).

(3) Section 37 applies, with any necessary modification, to bids for an exploration licence.

**“Submission of bids**

**36.11(1)** In this section, ‘**bonus amount**’ means the amount the applicant is willing to pay to acquire an exploration licence pursuant to this Part.

(2) An applicant for an exploration licence shall submit, along with his or her bid, the following:

- (a) the applicant’s bonus amount;
- (b) the rent for the first year of the licence term;
- (c) an application fee of \$250.

(3) An applicant shall submit moneys in the form and manner that the minister may direct.

**“Approval of bid**

**36.2(1)** The minister may issue an exploration licence to the applicant who:

- (a) complies with this Part; and
- (b) submits a bonus amount acceptable to the minister along with his or her bid.

(2) The maximum area that may be the subject of an exploration licence is 36 sections and the minimum area is one section.

(3) The minister retains the right to refuse any bid made pursuant to this Part and to refuse to issue an exploration licence to any person.

**“Rights granted under licence**

**36.21** Subject to these regulations and unless otherwise specifically stated in the exploration licence, an exploration licence grants to the licensee the exclusive right to:

- (a) search, dig, bore and drill for oil and gas within the lands described in the exploration licence; and
- (b) win, get, recover, procure, carry away, dispose of and sell the oil and gas found within the lands described in the exploration licence.

**“Rent**

**36.3(1)** During the term of an exploration licence, the licensee shall pay annually to the department a rent of \$1.75 per hectare of land described in the exploration licence.

(2) Rents are due and payable to the department in advance of the anniversary of the exploration licence.

(3) Rent is not refundable where lands are surrendered or the exploration licence is cancelled.



(4) Where the term of an exploration licence is extended pursuant to section 36.4 for a period that is three months or longer, the holder of the exploration licence shall pay the full amount of the annual rent required pursuant to this section for the extended term even though the extended term is less than a full year.

**“Term of licence**

**36.4(1)** Unless sooner surrendered or cancelled and subject to subsections (2) to (4), an exploration licence is valid for:

- (a) two years after the date of its issuance, if any of the lands with respect to which the licence is issued are located south of Township 55;
  - (b) three years after the date of its issuance, if:
    - (i) all of the lands with respect to which the licence is issued are located north of Township 54 but south of Township 66; or
    - (ii) some of the lands with respect to which the licence is issued are located north of Township 54 but south of Township 66 and the remainder of the lands are located north of Township 65; or
  - (c) four years after the date of its issuance, if all of the lands with respect to which the licence is issued are located north of Township 65.
- (2) On the request of a licensee, the minister may extend the term of the licensee’s exploration licence where:
- (a) the exploratory work required to be carried out pursuant to these regulations is delayed by an action of a government agency or a member of the Executive Council for environmental, regulatory or jurisdictional purposes with respect to the surface of the land; and
  - (b) the delay is greater than 60 days.
- (3) In accordance with subsection (2), the minister may extend the term of the exploration licence for a period equivalent to the length of the delay.
- (4) Where the holder of an exploration licence is conducting drilling operations on a well within the land covered by the exploration licence when the period for which the licence is valid expires, the minister may extend the term of the exploration licence for a period not to exceed three months after the finished drilling date of the well.
- (5) The minister may extend the term of an exploration licence for a period not to exceed three months where:
- (a) the holder of the exploration licence is in compliance with these regulations and the terms of the licence;
  - (b) a well licence has been issued to the holder of the exploration licence but drilling operations have not begun due to events beyond the control of the holder of the licence; and
  - (c) the well with respect to which the well licence was issued has a finished drilling date that falls within the extended term of the exploration licence.
- (6) Where the term of an exploration licence is extended pursuant to subsection (2), no rent is required to be paid by the licensee for the period of the extended term.

**“Conversion to lease**

**36.5(1)** In this section and in sections 36.8 and 36.9, ‘lease’ means a lease issued pursuant to Part V.

(2) The holder of an exploration licence may apply to convert the exploration licence to a lease or leases.

(3) The holder of an exploration licence who wishes to apply to convert the exploration licence to a lease or leases shall apply on or before 60 days after the expiry of the exploration licence.

(4) The maximum area that may be covered by a lease resulting from a conversion pursuant to subsection (2) is equal to the sum of area factors for all wells drilled within the area covered by the exploration licence.

(5) The area factor mentioned in subsection (4) for a well is equal to the amount calculated in accordance with the following formula:

$$A = TD \times F$$

where:

A is the area factor for the well in sections rounded to the nearest quarter section;

TD is the total measured depth, as expressed in metres, for the well;

F is 0.004 sections, if the well is drilled to 1,800 metres or less, and 0.006 sections, if the well is drilled to more than 1,800 metres.

(6) Notwithstanding subsection (4), the holder of an exploration licence may group the area factors of any or all wells drilled in one other area covered by another exploration licence if:

(a) the other exploration licence is held by the same holder; and

(b) the other area covered by the other exploration licence is not more than 3.2 kilometres distant from the area that is the subject of the application.

(7) If the holder of an exploration licence groups the area factors of wells drilled in another area pursuant to subsection (6), the holder may not include the area factors that were grouped in any other application pursuant to this section.

**“Powers of minister**

**36.6(1)** The minister may determine the form of an exploration licence issued pursuant to this Part.

(2) The minister may place any environmental or drilling restrictions on an exploration licence.

**“Surrender**

**36.7(1)** The holder of an exploration licence may surrender the lands covered by the exploration licence at any time or may surrender part of those lands from time to time.

(2) No rent or fee paid by the holder of an exploration licence is refundable to the holder if the holder surrenders his or her exploration licence.

**“Exploration licence terminated when lease issued**

**36.8** If the holder of an exploration licence obtains a lease pursuant to Part V for lands covered by the exploration licence prior to the end of the term of the exploration licence, the exploration licence is deemed to be terminated at the time the lease is issued.

**“Effective date of leases**

**36.9** Where leases are issued pursuant to Part V respecting lands covered by an exploration licence, the effective date of those leases is the date on which the lease is issued”.

**New heading to Part IV**

**11 The heading to Part IV is struck out and the following substituted:**

**“PART IV  
Acquiring Crown Dispositions”.**

**Section 37 amended**

**12(1) Subsection 37(1) is repealed and the following substituted:**

“(1) On the application of an interested person or on the minister’s own motion, the minister may advertise for sale any Crown disposition that may be granted pursuant to these regulations.

“(1.1) The maximum area that may be the subject of any application for a lease pursuant to subsection (1) is four sections of Crown land.

“(1.2) The minister may reject any application for a lease where, in the opinion of the minister, the applicant has not complied with subsection (1.1)”.

**(2) Subsections 37(3.1) to (3.4) are repealed.**

**(3) Subsection 37(6) is repealed and the following substituted:**

“(6) The minister may determine the form of any Crown disposition issued pursuant to these regulations.

“(7) If there are ongoing thermal enhanced oil recovery activities on Crown lands that, in the opinion of the minister, may be adversely affected by the development of the deeper rights, as determined by the minister, in those Crown lands, the minister shall withdraw those deeper rights from disposition”.

**New sections 43 and 43.1**

**13 Section 43 is repealed and the following substituted:**

**“Term of lease**

**43(1)** In this section and in section 43.1, ‘**deeper rights**’ means deeper rights as determined by the minister.

(2) This section and section 43.1 apply on and after April 1, 1998.

(3) The minister may, by order, determine deeper rights for the purposes of section 37, this section and section 43.1 and, if the minister issues an order determining deeper rights, shall cause that order to be published in the Gazette within 30 days after the date the order is issued.

- (4) A lease is effective on the date stated in the lease and continues:
- (a) for five years beginning on the first day of April following the effective date of the lease; or
  - (b) where the effective date of the lease is April 1, for the following five years.
- (5) Subject to subsections (6), (7), (8) and (10) and to the termination of any deeper rights pursuant to section 16.1 of *The Crown Minerals Act*, a lease continues past the period mentioned in subsection (4) if the holder of the lease is in compliance with these regulations and the terms of the lease and if:
- (a) drilling operations are being conducted at the time of the expiration of the period mentioned in subsection (4);
  - (b) there are one or more producing wells on the lease lands, but, in that case, the lease continues only for that portion of the lease lands in each surveyed section that contains the producing well or wells and only for a period ending 90 days after production from that portion of the lease lands ceases;
  - (c) any part of the lease lands is under unit operation approved by the minister or by an order of the Lieutenant Governor in Council, but, in that case, the lease continues only for that part or whole of the lease lands and only for a period ending six months after that part is no longer subject to that unit operation;
  - (d) any part of the lease lands is included within a designated gas area pursuant to section 56, but, in that case, the lease continues only for that part of the lease lands that is within the designated gas area;
  - (e) the lease is continued pursuant to sections 56.3 to 56.9;
  - (f) compensatory royalty payments are being made pursuant to subsection 52.1(1) respecting a location designated by the minister pursuant to subsection 52(2) on the lease lands, but, in that case, the lease continues only for that portion of the lease lands in the surveyed section containing the location; or
  - (g) access to the lease lands has been denied:
    - (i) by an action of a government agency or by a member of the Executive Council for environmental, regulatory or jurisdictional reasons;
    - (ii) if the lease lands are in a potash restricted drilling area, by the minister or by a potash disposition holder pursuant to section 20 of *The Oil and Gas Conservation Regulations, 1985*; or
    - (iii) by an action of the beneficial owner of the surface rights of the area overlying the lease lands where those surface rights are not subject to *The Surface Rights Acquisition and Compensation Act*.
- (6) In clause (5)(b), ‘**surveyed section**’ means a complete section:
- (a) as determined pursuant to *The Land Surveys Act*; or
  - (b) if there is no survey pursuant to that Act for the area to be covered by a lease, as determined by the minister.

(7) Unless otherwise specified in this section, a lease is continued pursuant to subsection (5) for one year beyond the expiry of the period mentioned in subsection (4).

(8) Subject to the termination of any deeper rights pursuant to section 16.1 of *The Crown Minerals Act*, a lease continues past the period mentioned in subsection (4) if the holder of the lease is in compliance with these regulations and the terms of the lease and if a well licence has been issued but drilling operations have not begun due to events beyond the control of the holder.

(9) A lease is continued pursuant to subsection (8) for three months, or any longer period that the minister may determine, beyond the expiry of the period mentioned in subsection (4).

(10) Where a lease is continued pursuant to this section, the holder of the lease shall pay the full amount of the annual rent payable pursuant to section 44 even though the lease may be continued for less than a full year.

(11) A lease is continued pursuant to this section only to the base of the deepest productive zone for that lease as determined by the minister.

**“Continuation of deeper rights**

**43.1(1)** In accordance with section 16.1 of *The Crown Minerals Act*, the holder of a Crown lease may apply to the minister for approval to have the deeper rights continue as part of the lease.

(2) The application is to be in a form acceptable to the minister and is to contain information that demonstrates to the minister’s satisfaction that access to the lease lands has been denied by:

(a) an action of a government agency or a member of the Executive Council for environmental, regulatory or jurisdictional reasons; or

(b) an action of the beneficial owner of the surface rights of the area overlying the lease lands where those surface rights are not subject to *The Surface Rights Acquisition and Compensation Act*.”

**Section 52 amended**

**14 The following subsection is added after subsection 52(4):**

“(5) In this section and in section 52.1, ‘**Crown mineral lands**’ means lands in which the Crown holds at least a 50% interest”.

**Section 52.1 amended**

**15(1) Subsection 52.1(1) is amended by striking out “For” and substituting “Subject to subsection (1.1), for”.**

**(2) The following subsection is added after subsection 52.1(1):**

“(1.1) The compensatory royalty calculated pursuant to subsection (1) is to be prorated in accordance with the following formula:

$$\text{FCR} = \text{CR}(100\% - \text{CI})$$

where:

FCR is the compensatory royalty payable pursuant to clause 52(1)(b);

CR is the compensatory royalty calculated pursuant to subsection (1);

CI is the percentage interest of the Crown in the adjoining lands that are not Crown mineral lands”.

**Coming into force**

**16(1)** Subject to subsection (2), these regulations come into force on the day on which they are filed with the Registrar of Regulations.

(2) Section 13 of these regulations comes into force on April 1, 1998.

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**SASKATCHEWAN REGULATIONS 110/97**

*The Provincial Lands Act*

Sections 14, 20 and 22

Order in Council 796/1997, dated December 17, 1997

(Filed December 18, 1997)

**Title**

**1** These regulations may be cited as *The Provincial Lands Amendment Regulations, 1997*.

**Sask. Reg. 145/68 amended**

**2** The Provincial Lands Regulations, being Sask. Reg. 145/68, are amended in the manner set forth in these regulations.

**Part I, Interpretation amended**

**3 The Interpretation portion of Part I is amended:**

(a) **by adding the following paragraph after paragraph 2:**

**"2.01 'agricultural lease'** means a lease of provincial lands for the purpose of growing crops, grazing livestock or harvesting hay";

(b) **by repealing paragraph 9;**

(c) **by adding the following paragraph after paragraph 12:**

**"12.1 'Indian band'** means a band within the meaning of the *Indian Act* (Canada) and includes the council of a band"; **and**

(d) **by adding the following paragraphs after paragraph 16:**

**"16.1 'petroleum and natural gas'** means petroleum, natural gas or petroleum and natural gas;

**"16.2 'surface lease'** means a lease of provincial lands issued in accordance with section 4 of Part III for the exploration, recovery, storage or transportation of petroleum and natural gas".

**Part III, section 1 amended**

**4(1) Subsection 1(1) of Part III is amended:**

(a) **in clause (c) by striking out "rapeseed" and substituting "canola";**  
**and**

(b) **by repealing clause (e) and substituting the following:**

(e) **'P'** means price for each grain and in the case of:

(i) wheat means the published Canadian Wheat Board final price for #2CWRS (Grade Number Two Canadian Western Red Spring), minus freight charges from Saskatoon, Saskatchewan and the average handling tariffs for wheat as published by the Department, for the crop year ending July 31 in the preceding calendar year, adjusted annually;

(ii) barley means the published Canadian Wheat Board final price for #1CW (Grade Number One Canada Western), minus freight charges from Saskatoon, Saskatchewan and the average handling tariffs for barley as published by the Department, for the crop year ending July 31 in the preceding calendar year, adjusted annually; and

(iii) oilseeds means the average price of #1CW (Grade Number One Canada Western) flaxseed or #1 Canada (Grade Number One Canada) canola at Saskatoon, Saskatchewan, minus freight charges from Saskatoon, Saskatchewan and the average handling tariffs as published by the Department, for the crop year ending July 31 in the preceding calendar year, adjusted annually”.

**(2) Subsection 1(2) of Part III is amended by striking out “Subject to subsection (2.1), the” and substituting “The”.**

**(3) Subsection 1(2.1) of Part III is repealed.**

**(4) Subsection 1(2.2) of Part III is amended by striking out “Notwithstanding subsection (2.1), the” and substituting “The”.**

**(5) Subsection 1(2.3) of Part III is amended by striking out “Notwithstanding subsection (2.1), the” and substituting “The”.**

**Part III, section 2 amended**

**5(1) Subsection 2(1) of Part III is repealed and the following substituted:**

“(1) The minister may issue a lease of provincial lands for the grazing of livestock”.

**(2) Subsection 2(9) of Part III is repealed and the following substituted:**

“(9) Commencing on January 1, 1997, the rent for leases issued pursuant to this section, whether issued before or after this subsection comes into force, notwithstanding anything to the contrary in the leases, shall be at a cash yearly rent in the amount calculated as follows:

$$\text{Rent} = \text{price per pound} \times 46 \text{ pounds} \times \text{animal unit month rating} \times 0.8 \times 12.75\%$$

where:

**‘animal unit month rating’** means the number of animal unit months applicable to the land in question as rated by the Saskatchewan Assessment Management Agency or as determined by the Department to reflect the current grazing carrying capacity of the land; and

**‘price per pound’** means the average price of cattle marketed from July 1 to November 30 of the preceding calendar year as published by the Department for markets in Saskatchewan, weighted as follows:

Feeder steer calves	500-600 lbs	61.02%
Feeder steers	700-800 lbs	21.52%
D1-D2 cows		17.46%”.

**(3) Subsections 2(9.1) to (10) of Part III are repealed.**

**(4) The following subsection is added after subsection 2(9) of Part III:**

“(11) Notwithstanding the repeal of subsections (9) to (10) as those subsections existed immediately before the coming into force of this subsection, those subsections continue to apply with respect to the calculation and collection of rent prior to 1997”.

**Part III, section 3 amended**

**6(1) Subsection 3(1) of Part III is repealed and the following substituted:**

“(1) The minister may issue a lease of provincial lands for the harvesting of hay grown on the lands or for the production of perennial hay crops”.

**(2) Subsection 3(6) of Part III is repealed and the following substituted:**

“(6) Commencing on January 1, 1997, the rent for leases issued pursuant to this section, whether issued before or after this subsection comes into force, notwithstanding anything to the contrary in the leases, shall be at a cash yearly rent in the amount calculated as follows:

$$\text{Rent} = \text{price per pound} \times 46 \text{ pounds} \times \text{animal unit month rating} \times 2 \times 12.75\%$$

where:

‘**animal unit month rating**’ means the number of animal unit months applicable to the land in question as rated by the Saskatchewan Assessment Management Agency or as determined by the Department to reflect the current grazing carrying capacity of the land; and

‘**price per pound**’ means the average price of cattle marketed from July 1 to November 30 of the preceding calendar year as published by the Department for markets in Saskatchewan, weighted as follows:

Feeder steer calves	500-600 lbs	61.02%
Feeder steers	700-800 lbs	21.52%
D1-D2 cows		17.46%”.

**(3) Subsections 3(6.1) and (7) of Part III are repealed.**

**(4) The following subsection is added after subsection 3(6) of Part III:**

“(8) Notwithstanding the repeal of subsections (6) to (7) as those subsections existed immediately before the coming into force of this subsection, those subsections continue to apply with respect to the calculation and collection of rent prior to 1997”.

**Part III, new section 3.1**

**7 Section 3.1 of Part III is repealed and the following substituted:**

**“Compensation to agricultural lessee affected by surface lease**

**3.1(1)** Where, pursuant to section 4 of this Part, the minister issues a surface lease with respect to land for which an agricultural lease is in effect:

- (a) the land is withdrawn from the agricultural lease for the period during which the surface lease is in effect with respect to the land;
- (b) the minister shall compensate the holder of the agricultural lease in accordance with this section; and



- (c) the holder of the agricultural lease continues to be liable for the payment of the taxes as if the withdrawal had not been made.
- (2) Every holder of an agricultural lease from which land has been withdrawn for the purposes of a surface lease issued on or after April 1, 1997 is entitled to receive a one-time payment of \$200.
- (3) Where more than one well is drilled on or after April 1, 1997 pursuant to a surface lease on lands withdrawn from an agricultural lease, the holder of the agricultural lease with respect to the lands affected is entitled to receive a one-time payment of:
- (a) \$200 for the second well drilled; and
  - (b) \$200 for each subsequent well drilled.
- (4) Subject to subsections (5) and (6), commencing on April 1, 1997, every holder of an agricultural lease from which land has been withdrawn for the purposes of a surface lease is entitled, in each calendar year following the issuance of the surface lease and during the time that the surface lease is in effect, to an annual reduction of the annual rental charges otherwise payable pursuant to the agricultural lease in the amount of \$100 for each surface lease affecting the agricultural lease.
- (5) Notwithstanding subsection (4) but subject to subsection (6), commencing on April 1, 1997, if there are two or more producing wells on lands withdrawn from an agricultural lease, the holder of the agricultural lease is entitled to an annual reduction of the annual rental charges otherwise payable pursuant to the agricultural lease in the amount of \$100 for each producing well, regardless of the number of surface leases affecting the agricultural lease.
- (6) The maximum annual reduction of annual rental charges to which a holder of an agricultural lease is entitled pursuant to subsections (4) and (5) is 30% of the annual rental charges otherwise payable pursuant to the agricultural lease.
- (7) In addition to the compensation payable pursuant to subsections (2) to (6), commencing on January 1, 1998, the minister shall compensate every holder of an agricultural lease for any crop loss suffered by the withdrawal of land from the agricultural lease for the purposes of a surface lease in the amount paid to the Department by the holder of the surface lease pursuant to subsection 4(5) of this Part”.

**Part III, new section 4**

**8 Section 4 of Part III is repealed and the following substituted:**

**“Surface leases respecting petroleum and natural gas**

**4(1) In this section:**

- (a) **‘pollutant’** means a substance that causes or may cause pollution of a site;
- (b) **‘pollution’** means the alteration of the physical, chemical, biological or aesthetic properties of a site, including the addition or removal of any substance that:
  - (i) will render the site harmful to the public health;
  - (ii) is unsafe or harmful for domestic, municipal, industrial, agricultural, recreational or other lawful uses of the site; or

- (iii) is harmful to wild animals, birds or aquatic life;
  - (c) 'site' includes the surface, the subsurface, and any water on or below the surface of the land.
- (2) The minister may issue a surface lease of any provincial lands required for or in connection or conjunction with any of the following:
  - (a) the exploration and recovery of petroleum and natural gas;
  - (b) the use of wellsites to inject water or other materials to enhance the recovery of petroleum and natural gas;
  - (c) the carrying out of surface operations designed to determine the extent of any deposits of petroleum and natural gas;
  - (d) the housing of pumping stations, compressor stations, pipeline control facilities, and storage and transportation facilities necessary for the storage or transportation of petroleum and natural gas.
- (3) Before commencing any work on the leased lands, the holder of a surface lease shall file a development plan with the Department, acceptable to the minister, detailing the intended location of all drilling, construction and other development activities to be carried out pursuant to the lease.
- (4) The holder of a surface lease shall pay to the Department rental charges and compensation in accordance with Schedule Six of Part VIII, subject to the following provisions:
  - (a) where any drilling, construction or other development activities are to be carried out within 12 months after the lease is issued, both the first year development fee and the annual surface lease rent are due and payable on the issuance of the lease;
  - (b) where a surface lease is for a wellsite but no wells are drilled on provincial lands pursuant to the lease, the annual lease rent and the first year development fee is to be prorated based on the actual area of provincial lands that are included in the wellsite.
- (5) Commencing on January 1, 1998, the holder of a surface lease shall pay to the Department an amount that is equal to the value of any crop loss, as determined by the minister, suffered by a holder of an agricultural lease as a result of the withdrawal of land from the agricultural lease for the purposes of the surface lease.
- (6) Where the surface lease authorizes the leaseholder to utilize temporary work spaces on provincial lands to facilitate development, construction, operation or maintenance under the surface lease, the surface leaseholder shall negotiate directly with and compensate any agricultural leaseholder for any crop loss suffered by the agricultural leaseholder as a result of the surface leaseholder's use of the temporary work space, in an amount agreed to between the surface leaseholder and the agricultural leaseholder.

(7) The holder of a surface lease issued pursuant to subsection (2) shall, before the expiry or surrender of the lease and at the leaseholder's expense:

(a) in accordance with *The Oil and Gas Conservation Regulations, 1985*:

(i) plug and abandon any well, structure test hole, oil shale core hole or related facility that was drilled or used by the leaseholder; and

(ii) remove all materials, refuse, equipment, structures, buildings, concrete bases and other fixtures and personal property placed on the lands by the leaseholder;

(b) provide evidence satisfactory to the minister that any pollutant on the site arising from the leaseholder's use of the site is within levels acceptable to the minister; and

(c) provide to the Department, and execute, a plan to restore the surface of the lands:

(i) as nearly as practicable to the condition that the surface was in before the lease was issued; or

(ii) where it is not practicable to restore the surface to the condition that it was in before the lease was issued, to a condition acceptable to the minister.

(8) Notwithstanding the expiration of a surface lease, until the holder of the surface lease complies with clause (7)(b), the holder remains liable for the payment of rent pursuant to the lease at the rate established for annual surface lease rental pursuant to Schedule Six of Part VIII.

(9) Notwithstanding the expiration of a surface lease, where the holder of the surface lease has complied with clause (7)(b) but until the holder of the surface lease complies with clause (7)(c), the holder remains liable for the payment of rent pursuant to the lease at the rate of one half of the annual surface lease rental established pursuant to Schedule Six of Part VIII”.

**Part III, section 5 amended**

**9 Subsection 5(2) of Part III is amended by striking out “for a term not exceeding twenty-one years and”.**

**Part III, section 6 amended**

**10(1) The following subsection is added after subsection 6(4.1) of Part III:**

“(4.11) Every surface lease of provincial lands shall be for a term not exceeding 21 years”.

**(2) Subsection 6(4.2) of Part III is amended by striking out “or licence issued pursuant to section 4 or 5” and substituting “issued pursuant to section 5”.**

**(3) Subsection 6(16) of Part III is repealed and the following substituted:**

“(16) All leases and permits are subject to the right of the minister to survey or construct or authorize the survey or the construction of roads, trails, or telephone, telegraph, telecommunication or power transmission lines, or irrigation or drainage ditches or pipelines for the conveyance of water, sewage, natural gas, petroleum or petroleum byproducts on or across the lands covered by the lease or permit, and the lessee or permittee is not entitled to compensation or reduction of rent with respect to the road, trail, line, ditch or pipeline unless the minister, in the minister’s discretion, authorizes the compensation or reduction”.

**(4) The following subsections are added after subsection 6(27) of Part III:**

“(28) The minister may prescribe an annual rent for any provincial lands in an amount less than the amounts calculated pursuant to subsections 1(2), 2(9) and 3(6) of this Part, but any amounts prescribed shall not be less than the annual rents as calculated pursuant to those subsections for the same provincial lands for the preceding year.

“(29) In leases issued pursuant to section 2 or 3 of this Part, the term ‘**cow month**’ means one animal unit month”.

**Part III.1, section 4 amended**

**11 Subsection 4(3) of Part III.1 is amended by striking out “5,000” and substituting “2,500”.**

**Part III.1, new section 13**

**12 Section 13 of Part III.1 is repealed and the following substituted:**

**“Annual production returns**

**13** Every leaseholder who has a removal authorization with respect to his or her lease shall submit to the minister a completed annual production return for the period January 1 to December 31, in a form acceptable to the minister, within 30 days after the end of the calendar year”.

**Part III.1, section 17 amended**

**13(1) Subsection 17(1) of Part III.1 is amended by striking out “Before” and substituting “Subject to subsection (4), before”.**

**(2) The following subsection is added after subsection 17(3) of Part III.1:**

“(4) A rural municipality, village, town, city or hamlet or an Indian band is not required to pay a reclamation deposit pursuant to subsection (1), where, before the minister issues a removal authorization, the rural municipality, village, town, city or hamlet or the Indian band provides the Department with an irrevocable letter of undertaking to reclaim the leased area, to the minister’s satisfaction, within one year after the cessation of quarrying in the leased area”.

**Part IV, section 1 amended****14(1) Subsection 1(3) of Part IV is repealed and the following substituted:**

“(3) A grantee pursuant to this section shall pay to the Department compensation for loss of ownership rights and land out of production:

- (a) in accordance with Schedule Six of Part VIII; or
- (b) as determined by the minister:
  - (i) in the case of an interprovincial pipeline that is subject to the *National Energy Board Act* (Canada); and
  - (ii) in the case of works and projects carried out by Saskatchewan Water Corporation”.

**(2) Subsection 1(5) of Part IV is repealed and the following substituted:**

“(5) Notwithstanding subsection (3), no compensation is payable by a municipality or public utility company in connection with water, sewage or natural gas pipelines to serve a hamlet, village or town with a population of less than 1,000, or to serve an individual farm or acreage”.

**Part VIII, Schedule One amended****15(1) Item 5 of Schedule One of Part VIII is repealed and the following substituted:**

“5 For executing an assignment of:

- (a) a sale agreement 200
- (b) an agricultural lease as prescribed by the minister but never less than \$200
- (c) a non-agricultural lease 200 per lease to a maximum of \$2,000 if more than 10 leases are assigned at one time”.

**(2) The following item is added after Item 24 of Schedule One of Part VIII:**

“25 For registering an easement 75”.

**Part VIII, Schedule Five amended****16 Form A of Schedule Five of Part VIII is amended by repealing paragraph 5.1 and substituting the following:**

“5.1 notwithstanding paragraph 3, if the leased lands being sold under the agreement for sale are subject to any surface lease, the agreement for sale may allow for interest to be charged on that portion of the purchase price that has been allocated in the agreement for sale as the value of the surface lease”.

**Part VIII, new Schedule Six****17 The following schedule is added after Schedule Five of Part VIII:****“SCHEDULE SIX****Surface Lease Fees and Rentals**

DESCRIPTION	AMOUNT
1. First Year Development Fee: (wellsites, roadways, compressor, separation or battery sites)	
(a) cultivated land	\$597 per acre
(b) pasture land	506 per acre
2. Annual Surface Lease Rental: (wellsites, roadways, compressor, separation or battery sites)	
(a) cultivated land:	
(i) first 3 acres	597 per acre
(ii) each subsequent acre	209 per acre
(Minimum fee is for 2 acres)	
(b) pasture land:	
(i) first 3 acres	506 per acre
(ii) each subsequent acre	162 per acre
(Minimum fee is for 2 acres)	
3. Multiple Well Heads	100 per head
4. Access Roads, First Year Development Fee	
(a) cultivated land:	
(i) first 3 acres	530 per acre
(ii) each subsequent acre	332 per acre
(iii) existing trails	110 per acre
(b) pasture land:	
(i) first 3 acres	425 per acre
(ii) each subsequent acre	271 per acre
(iii) existing trails	110 per acre
5. Access Roads, Annual Surface Rental	
(a) cultivated land:	
(i) first 3 acres	304 per acre
(ii) each subsequent acre	209 per acre
(b) pasture land:	
(i) first 3 acres	235 per acre
(ii) each subsequent acre	162 per acre
6. Easements (one time charge)	
(a) cultivated land	547 per acre
(b) pasture land	506 per acre
7. Temporary Work Space	
(a) cultivated land	273.50 per acre
(b) pasture land	253 per acre”.

**Sask. Reg. 104/74 repealed**

**18** Saskatchewan Regulations 104/74 made pursuant to *The Provincial Lands Act* are repealed.

**R.R.S. c.P-31 Reg 2 repealed**

**19** *The Surface Leases (Petroleum and Natural Gas) Compensation and Rental Regulations* are repealed.

**Coming into force**

**20** Subject to subsection (2), these regulations come into force on the day on which they are filed with the Registrar of Regulations.

(2) Clause 3(d) and sections 8, 17 and 19 of these regulations come into force on January 1, 1998.

