

Annual Report for 2022-23

Ministry of Energy and Resources

Letters of Transmittal



The Honourable Jim Reiter
Minister of Energy and
Resources

Office of the Lieutenant Governor of Saskatchewan

I respectfully submit the Annual Report for the Ministry of Energy and Resources for the fiscal year ending March 31, 2023.

A handwritten signature in blue ink, appearing to read 'Jim Reiter', written over a light blue circular official stamp.

The Honourable Jim Reiter
Minister of Energy and Resources



Susanna Laaksonen-Craig
Deputy Minister of
Energy and Resources

The Honourable Jim Reiter
Minister of Energy and Resources

Dear Minister:

I have the honour of submitting the Annual Report of the Ministry of Energy and Resources for the fiscal year ending March 31, 2023.

A handwritten signature in black ink, appearing to read 'Susanna Laaksonen-Craig', written over a light blue circular official stamp.

Susanna Laaksonen-Craig
Deputy Minister of Energy and Resources

Ministry of Energy and Resources Overview

Mandate Statement

The Ministry of Energy and Resources develops, coordinates and implements policies and programs to promote the growth and responsible development of the province's natural resource industries. The Ministry of Energy and Resources operates as the primary regulatory authority for the oil and gas industry and ensures competitive royalty systems, regulations and policies for all natural resource sectors. The Ministry of Energy and Resources also plays an important role in promoting Saskatchewan's diverse resource potential to investors around the world.

Mission Statement

To advance responsible resource development.

Vision Statement

Saskatchewan is the best place in Canada to develop natural resources.

Core Lines of Business

The Ministry of Energy and Resources is made up of two primary lines of business:

- To explore and develop Saskatchewan's natural resources.
- To regulate the lifecycle activities related to the responsible development of Saskatchewan's natural resources.

The ministry's employees provide services and programs through its main office in Regina and regional offices across the province.

In 2022-23, the ministry had 276.6 full-time employees (FTEs).

The Minister of Energy and Resources is responsible for the following Acts and Regulations:

The Crown Minerals Act

- *The Alkali Mining Regulations*
- *The Bayhurst Viking Voluntary Gas Unit Regulations*
- *The Coal Disposition Regulations, 1988*
- *The Crown Mineral Royalty Regulations*
- *The Crown Oil and Gas Royalty Regulations, 2012*
- *The Late Payment Interest Charges Regulations*

- *The Mineral Tenure Registry Regulations*
- *The Mineral Trust Revestiture Regulations*
- *The Oil and Gas Tenure Registry Regulations*
- *The Quarrying Regulations, 1957*
- *General Regulations (Tailings Disposal Area)*
- *The Subsurface Mineral Royalty Regulations, 2017*
- *The Subsurface Mineral Tenure Regulations*
- *The Totnes Viking Gas Storage Royalty Regulations*
- *The Waterflood Development Program Regulations*
- *The High Water-Cut Oil Well Program Regulations*
- *The Weyburn Unit CO2 Crown Royalty Regulations*

The Economic and Co-operative Development Act

But only with respect to clause 8(a) which is jointly assigned to the Minister of Energy and Resources, the Minister of Trade and Export Development, the Minister of Immigration and Career Training, the Minister of Agriculture, the Minister of Parks, Culture and Sport and the Minister Responsible for Tourism Saskatchewan.

The Energy and Mines Act

- *The Targeted Mineral Exploration Incentive Regulations*

The Ethanol Fuel Act

- *The Ethanol Fuel (General) Regulations*

The Financial Administration Act, 1993

But only with respect to Section 24, which is jointly assigned to the Minister of Energy and Resources and the Minister of Finance as it relates to:

- *The Oil and Gas Processing Investment Incentive Regulations*
- *The Oil Infrastructure Investment Program Regulations*
- *The Petroleum Innovation Incentive Regulations*
- *The Petroleum Research Incentive Regulations*

The Forest Resources Management Act

But only with respect to Sections 5, 6 and 7 which are jointly assigned to the Minister of Energy and Resources and the Minister of Environment.

The Freehold Oil and Gas Production Tax Act, 2010

- *The Freehold Oil and Gas Production Tax Regulations*
- *The Recovered Crude Oil Tax Regulations*
- *The Totnes Viking Gas Storage Freehold Production Tax Regulations*
- *The Weyburn Unit CO2 Freehold Oil Production Tax Regulations*

The Mineral Resources Act, 1985

- *The Mineral Exploration Tax Credit Regulations, 2014*
- *The Seismic Exploration Regulations, 1999*
- *The Subsurface Mineral Conservation Regulations*

The Mineral Taxation Act, 1983

- *The Mineral Rights Tax Regulations, 2022*
- *The Potash Production Tax Regulations*
- *The Sodium Chloride Production Tax Regulations*
- *The Freehold Coal Production Tax Regulations*

- *The Mineral Taxation Late Payment Interest Charges Regulations*

The Oil and Gas Conservation Act

- *The Oil and Gas Conservation Regulations, 2012*
- *The Petroleum Registry and Electronic Documents Regulations*
- *The Oil and Gas Emissions Management Regulations*
- *The Financial Security and Site Closure Regulations*

The Pipelines Act, 1998

- *The Pipelines Administration and Licensing Regulations*

The Reclaimed Industrial Sites Act

- *The Reclaimed Industrial Sites Regulations*

The Renewable Diesel Act

- *The Renewable Diesel Regulations*

The Surface Rights Acquisition and Compensation Act

- *The Surface Rights Acquisition and Compensation Regulations*

The Ministry of Energy and Resources 2022-23 Business Plan:

<https://publications.saskatchewan.ca/api/v1/products/117223/formats/134516/download>

Progress on Goal 1: Grow natural resource exploration and development

Growth in resource development is a key component in Saskatchewan's Growth Plan: The Next Decade of Growth, 2020-2030. As outlined in the Growth Plan, Saskatchewan's natural resource industries are instrumental to the province's economic growth. The oil and gas industry is the largest sector of Saskatchewan's economy and will continue to meet worldwide energy demands for decades to come. Saskatchewan is also a global leader in the uranium and potash markets, an emerging producer of helium and lithium, and has occurrences of 23 minerals identified in Canada's critical minerals list. In addition, forestry is northern Saskatchewan's largest industry and is a significant contributor to the province's economy. Sustainable and responsible growth in Saskatchewan's natural resource industries is a key priority for the Ministry of Energy and Resources.

Strategy:

Protect and enhance competitiveness.

Key Actions:

- Encourage exploration and development and ensure a competitive royalty and taxation environment for natural resources, including strategic minerals and metals.
 - In 2022-23 multiple companies advanced emerging critical minerals projects in Saskatchewan such as Foran Mining Corp., Denison Mines Corp., NexGen Energy Ltd., Arizona Lithium Ltd. and Grounded Lithium Corp.
 - On March 27, 2023, the Government of Saskatchewan launched *Securing the Future: Saskatchewan's Critical Minerals Strategy* to drive growth and development of the sector in the province. The strategy supports the objectives set out in the Saskatchewan Growth Plan and outlines four goals for the sector: to increase Saskatchewan's share of Canadian mineral exploration spending to 15 per cent by 2030, to double the number of critical minerals being produced in Saskatchewan by 2030, to grow Saskatchewan's production of potash, uranium and helium, and to establish Saskatchewan as a rare earth element hub. Efforts to work towards achieving these goals will continue in the 2023-24 fiscal year.
- Continue implementing deliverables from the *Helium Action Plan: From Exploration to Exports* to support the development of the helium industry in the province.
 - The ministry received the Saskatchewan Research Council's (SRC) Helium Liquefaction Hub Study and is in the process of evaluating and planning based on the findings. The study was released in May 2023. The ministry provided the SRC with a \$140,000 grant to develop the study which plays a key role in achieving the targets laid out in the Plan, including the goal of achieving 10 per cent of world's helium production by 2030.
 - The ministry launched new features and functions in Petrinex and in the Integrated Resource Information System (IRIS), with the goal of automating helium production reporting and royalty payments administration for industry.

The IRIS enhancements are also part of the ministry's commitment to the Helium Action Plan.

- Work collaboratively with industry stakeholders through the Forestry Sector Competitiveness Committee to address barriers to the growth of forestry in Saskatchewan.
 - The Committee meets regularly to proactively address issues within the forestry sector, which continues to be a major employer in northern Saskatchewan and a contributor to keeping Saskatchewan's economy strong. The ministry worked with the Committee on a variety of sectoral issues, including infrastructure, impacts from wildfires and timber harvesting licences.
- Ensure Crown mineral rights tenure acquisition and administration programs facilitate the exploration and development of our natural resources.
 - An amendment was made to *The Oil and Gas Tenure Registry Regulations* to establish the authority to transfer associated Crown oil and gas leases to a financially viable individual or company that has acquired the orphan wells. This change creates an opportunity to put orphan wells back into production and to continue developing Saskatchewan's oil and gas resources.
 - The ministry had six public offerings for petroleum and natural gas (PNG) mineral rights and three public offerings for subsurface minerals rights. These provided a total of 207,356 hectares of mineral lands for exploration and generated \$52.5M of revenue for the Government of Saskatchewan.
- Continue working with rural municipal and industry stakeholders to explore the concept of a single-window online interface for municipal permitting and invoicing in the oil and gas sector.
 - Stakeholder engagement began in January 2023 to investigate the current state of transactions between rural municipalities and the upstream oil and gas industry to identify opportunities to further streamline business processes for both rural municipalities and industry. The ministry will continue to evaluate feedback from this round of engagement to consider next steps for the project.

Strategy:

Develop policies and programs that support innovation, development and conservation of natural resources.

Key Actions:

- Continue the implementation of the Oil Infrastructure Investment Program (OIIP), Oil and Gas Processing Investment Incentive (OGPII) and Saskatchewan Petroleum Innovation Incentive (SPII) to support increased production, new value-added processing, emissions abatement, innovation commercialization and developing emerging resource sectors.
 - In 2022-23 the administration of world-class incentive programs: SPII, OGPII and OIIP continued as projected. Between 2020-23, a total of \$1 billion (B) in private investment is expected for approved projects, all of which are now operating, under construction or expected to begin construction in 2023.
- Optimize Saskatchewan's regulatory and policy environment to promote exploration, increase primary production and encourage the application of enhanced recovery methods in the oil and gas sector.
 - Since the High Water-Cut Oil Well Program was amended on April 1, 2021, it has spurred over \$15M in private investments associated with improving water handling capabilities and extending the producing life of high water-cut oil wells.

- Continue implementing the Methane Action Plan to support increased capture and commercialization of methane, natural gas and other emissions management projects, while sustaining the long-term economic viability of the energy sector.
 - The ministry launched two initiatives to enhance Saskatchewan-specific data to ensure the province continues to be one of the most sustainable energy producers in the world: the Saskatchewan Emissions Inventory and the Gas Commercialization Mapping Service.
- Ensure the associated gas royalty system aligns with the province's goal of capturing and commercializing greater volumes of methane.
 - The ministry continues to implement a moratorium on associated gas royalties to encourage the capture and commercial use of greater volumes of methane.
- Ensure forestry legislation, regulations, timber harvesting licences and other policies promote and facilitate optimal use of the provincial timber supply.
 - The ministry worked closely with existing companies and potential investors on potential value-added opportunities to increase the use of provincial timber supply in Saskatchewan. Examples include a timber allocation issued to Pivot Furniture Technologies to support their furniture manufacturing plant in Prince Albert. In October 2022 the Meadow Lake Tribal Council began producing electricity from biomass at the NorSask sawmill in Meadow Lake.
- Ensure that Saskatchewan's mining sector is incented to develop, adopt and scale new and emerging technologies.
 - In November 2022 the ministry announced the expansion of two programs to accelerate the development of lithium resources in Saskatchewan: OGPII and SPII. Eligible lithium projects were added to the program's eligibility criteria and both programs will run until March 2024.
- Ensure the regulatory environment can meet the needs of emerging development initiatives in the areas of helium, hydrogen, lithium, geothermal and other brine-based trace minerals.
 - Further consultation with industry was conducted in support of the review of Saskatchewan's Subsurface Brine Mineral development framework.
 - Adapted existing disposal practice requirements to geothermal and lithium developments.
 - Published [lithium](#) and [helium](#) guidebooks to clarify regulatory pathways for industry.

Strategy:

Attract investment through rigorous stakeholder engagement.

Key Actions:

- Promote Saskatchewan's competitive position at industry events and opportunities.
 - In collaboration with the Ministry of Trade and Export Development, the Ministry of Energy and Resources attended several industry events to promote Saskatchewan's competitive position and support the province as being the best place in Canada to develop natural resources. These included:
 - The Williston Basin Petroleum Conference, co-hosted by the ministry. The event was held in Regina in May 2022. The theme of the conference was "Energy from the Earth, an In-depth Look at Saskatchewan's Energy Industry Opportunities and Homegrown Innovations." This event is one of the top gatherings for North America's energy sector.
 - Ministry representatives attended 2022 Saskatchewan Mining Week

events (May 29 to June 4). These featured Saskatchewan's critical minerals as essential to global security and supply chains. The week highlighted the province's world-class mining sector with several presentations from sector experts and company executives.

- In June 2022 the ministry participated in:
 - The Prospectors and Developers Association of Canada Convention in Toronto centered around supporting a competitive, responsible and sustainable mineral sector.
 - The GeoConvention in Calgary, which focused on supporting the geoscience community in energy diversification, emerging resources and petroleum extraction.
 - The Global Energy Show, which provided insight from sector experts and showcased technology and innovation.
 - The Saskatchewan Oil and Gas Show in Weyburn, which highlighted opportunities for the service and supply segment of the oil and gas industry and provided insight on the latest technology.
- The ministry attended the Lloydminster Heavy Oil Show which took place in September 2022.
- Virtually participated in the Geological Society of America Annual Meeting held in October 2022. This event provided insight from experts, education on pertinent tools and supported advancing geological science.
- The ministry organized the Saskatchewan Geological Open House in November 2022, which featured mineral-related geoscience research presentations and opportunities for industry engagement.
- The ministry attended the AME Mineral Exploration Roundup in January 2023. With the theme "Critical to Our Future," the event showcased how responsible mineral exploration and development are critical to addressing global challenges. It also provided an opportunity to explore the mineral sector.
- In February 2023 Premier Scott Moe and Minister Jim Reiter led a trade and investment mission to Houston, Texas. The delegation met with key United States investors and promoted opportunities in Saskatchewan's natural resource sectors.
- Work with Saskatchewan's natural resource sectors to remove red tape and barriers to economic growth and investment.
 - In 2022-23 the ministry conducted a regulatory red tape review of The Subsurface Mineral Conservation Regulations and is committed to reducing red tape for businesses. The review identified unclear rules regarding notification of proposed well locations that are within proximity of existing mineral development operations. It also identified a benefit to consolidate similar regulatory requirements for well data into one regulation for ease of use.
- Advance options in carbon capture utilization and storage (CCUS) for industrial and resource sectors to increase investment in CCUS and Enhanced Oil Recovery (EOR).
 - Saskatchewan is a global leader in CCUS and EOR technology. A potential hydrogen hub in the Regina-Moose Jaw region was explored. The ministry provided the Transition Accelerator with a grant of \$100,000 to complete a Hydrogen Hub Report. An additional \$50,000 in funding was provided by Whitecap Resources and Federated Co-operatives Limited. The expected release date for the report is early in the 2023-24 fiscal year.

Strategy:

Deliver high-quality, readily accessible geoscience information to promote investment and diversify Saskatchewan's mineral and petroleum resource sectors.

Key Actions:

- Timely release of new geoscience information summarizing current research activities.
 - Several research activities were undertaken and results were released in a timely manner to ensure industry had access to pertinent geoscience research. Some examples include:
 - Developments and results from a number of Saskatchewan Geological Survey research programs were published as maps, reports and data files.
 - New geoscience data was made available through the GeoHub and the Saskatchewan Mining and Petroleum GeoAtlas online portals.
- Perform new, strategically-targeted airborne geophysical surveys, and undertake generative geoscience investigations.
 - The ministry started or continued multiple geoscience research initiatives focused on oil and gas and critical minerals (uranium, rare earth elements, lithium and helium, among others) to further the understanding of Saskatchewan's geology and resources.
- Continue to administer the Targeted Mineral Exploration Incentive to encourage exploration for gold, base metals and diamonds.
 - The Incentive attracted five successful applicants, representing \$9.8M of investment and 78 new drill holes for programs dedicated to the exploration of precious and base metals.
 - Efficiencies to the program will continue to be pursued, including efforts to increase awareness and education on requirements.
- Establish an integrated system for the collection, management and distribution of Saskatchewan's public geoscience data.
 - The ministry initiated a Geoscience Data Management Project that requires a multi-year plan to successfully implement a system that will effectively manage modern and comprehensive geoscience data. This system will increase data analysis and availability to facilitate resource discoveries and support industry investments. Once implemented, it will also enhance global competitiveness for Saskatchewan in the oil and gas and mineral sectors.

Performance Measure Results:

Saskatchewan Forest Products Sales

Increase the value of Saskatchewan forest products sales to \$2.2B by 2030, with an annual value of forest product sales of \$1.1B in 2022-23.

- In 2022-23 the value of Saskatchewan's forest products sales was \$1.7B.

Saskatchewan Potash Sales

Increase the value of Saskatchewan potash sales to \$9B by 2030, with an annual value of Saskatchewan potash sales of over \$8B in 2022-23.

- In 2022-23 the value of Saskatchewan's potash sales was \$17.4B.

Saskatchewan Uranium Sales

Increase the value of Saskatchewan uranium sales to \$2B by 2030, with annual value of Saskatchewan uranium sales of over \$700M in 2022-23.

- In 2022-23 the value of Saskatchewan's uranium sales was \$1.2B.

Saskatchewan Oil Production

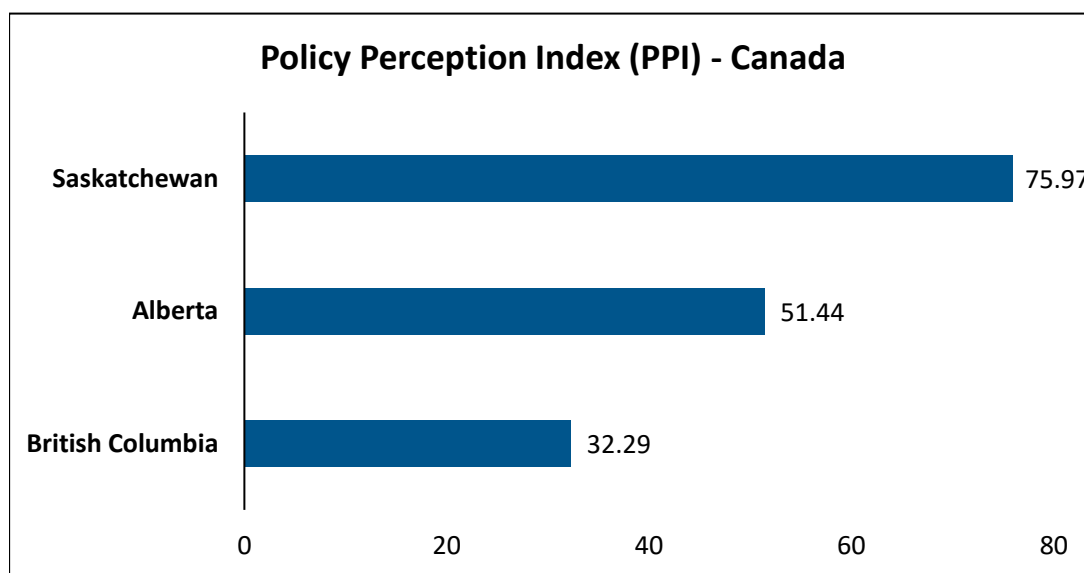
Increase oil production to 600,000 barrels per day by 2030, with a target of 455,000 barrels per day in 2022-23.

- In 2022-23 the oil production in Saskatchewan was 457,000 barrels per day.

Fraser Institute Global Petroleum Survey Policy Perception Index

Achieve number one Canadian ranking in the Fraser Institute Global Petroleum Survey policy perception index in 2022.

- In the 2022 Fraser Institute Canada-US Energy Sector Competitiveness Survey, Saskatchewan ranked number one as the most attractive Canadian jurisdiction for upstream petroleum investment in 2022.
- The Figure below illustrates Saskatchewan's performance in the 2022 survey relative to other jurisdictions in Canada.



Source: Fraser Institute's Canada-US Energy Sector Competitiveness Survey 2022

Performance Measure Results:

Fraser Institute Global Petroleum Survey Policy Perception Index Continued.

- Saskatchewan improved its policy score by 0.8 points:

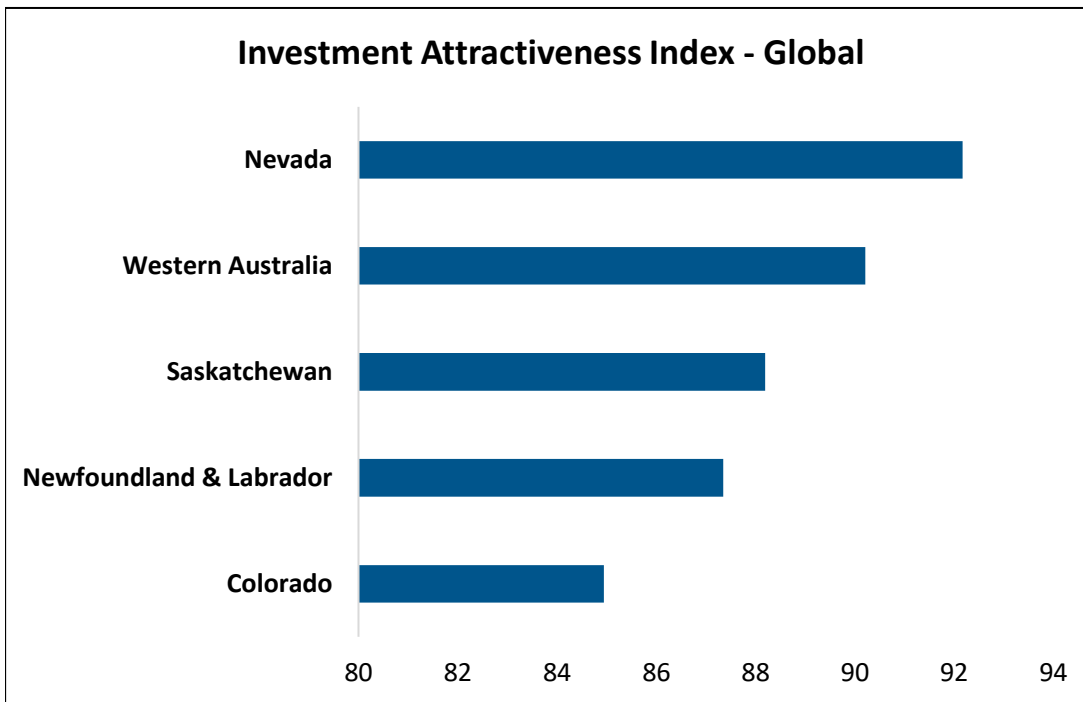
	Score 2021	Score 2022
Saskatchewan	75.11	75.97

Source: Fraser Institute's Canada-US Energy Sector Competitiveness Survey 2022

Fraser Institute Survey of Mining Companies Investment Attraction Index

Top three world ranking in the Fraser Institute Survey of Mining Companies investment attractiveness index in 2022.

- In the 2022 Fraser Institute Mining and Exploration Companies Survey, Saskatchewan ranked third for investment attractiveness.



Source: Fraser Institute's Annual Survey of Mining Companies 2022

Progress on Goal 2: Pursue regulatory excellence in support of resource development

Industries seek predictability, clarity and competitiveness in investment and business operation environments. Many resource development projects are large-scale, multi-year, multi-billion-dollar investments. A rapidly changing regulatory environment challenges investment decisions and hurts Saskatchewan's competitiveness. The ministry will continue to pursue regulatory excellence in support of the Growth Plan commitments to reduce government red tape for businesses, to support industry development and investment and to maintain a competitive regulatory environment.

Strategy:

Apply a risk-based, results-oriented approach to the development and delivery of regulatory programs.

Key Actions:

- Continue to ensure the effectiveness of the Oil and Gas Emissions Management Regulations (OGEMR) to reduce greenhouse gas emissions from the upstream oil and gas industry, meet provincial objectives and retain jurisdiction over the industry.
 - The OGEMR Annual Emissions Report for 2022 was published in June 2023. In Saskatchewan, emissions from vented and flared gas at upstream oil facilities totaled 3.9M tonnes of carbon dioxide equivalent (CO₂e) in 2022, representing a 7.0M tonnes CO₂e reduction from 2015 levels (equivalent to taking more than 1.5M cars off Saskatchewan roads for a year).
- Continue to enhance liability management programs, including end-of-life asset management.
 - Effective January 1, 2023, a set of new regulations, *The Financial Security and Site Closure Regulations* and amendments to *The Oil and Gas Conservation Regulations*, introduced changes and improvements that modernize and strengthen the ministry's liability management framework. As a result, a new Inactive Liability Reduction Program was implemented that established annual targets for the clean up and closure of inactive oil and gas infrastructure and sites.
- Work with other resource regulators and industry partners to identify opportunities for collaboration and information sharing and develop strategies and tools to address identified risks.
 - The Western Regulators Forum fosters collaboration between inter-jurisdictional entities regarding oil and gas regulators in Western Canada. The ministry continued to be a valuable member of the forum and collectively participated in industry engagement sessions, discussed emerging concerns and implemented resolutions.

- Build investigation capacity and integrate into incident response and follow-up programs.
 - The ministry continued the work to standardize field inspections and incident reporting protocols for wells, facilities and pipelines.
 - Field Services staff received training on the Incident Command System, which is a standardized incident management system designed to enable effective incident management.

Strategy:

Deliver efficient regulatory programs with a focus on client service.

Key Actions:

- Continue to update and modernize regulations and directives to address regulatory risks.
 - The following directive updates were implemented with a focus on increasing the effectiveness of pipeline activities:
 - Revisions made to the Saskatchewan Pipelines Code Directive (PNG034) to enhance the ministry's oversight activities respecting pipeline abandonments.
 - Consultations with industry occurred on the Venting and Flaring Requirements Directive (PNG036), that allowed the ministry to provide clarity on both venting and flaring requirements.
 - The following changes to directives in support of well operations and abandonment occurred:
 - Implemented updates to the Horizontal Oil and Gas Well Requirements Directive (PNG006) and the Off-Target Well Completion Requirements Directive (PNG007) to remove reference to repealed regulation and provide greater clarity on requirements.
 - Introduced the Hydraulic Fracturing Requirements Directive (PNG048) to set forth a minimum requirement for risk management and reporting associated to hydraulic fracturing.
 - The Acknowledgement of Reclamation for Sodium Chloride-Impacted Sites Directive (PNG045) was introduced to provide guidance on the mitigation of sodium chloride (NaCl) impacts to oil and gas sites to bring NaCl impacted sites to regulatory closure in a timely and cost-effective manner.
- Work with Saskatchewan's resource industries to remove regulatory red tape and barriers.
 - In August 2022 enhancements were made to the Measurement Requirements for Oil and Gas Operations Directive (PNG017), which introduced an exception for gas-oil ratio testing frequency. The update reduced the current annual testing frequency to once every three years, when specific criteria are met by the licensee.
 - Launched program functionality for the Integrated Resource Information System related to the Well Abandonment Requirements Directive (PNG015), that outlines routine and non-routine abandonment of wells.
- Strengthen single window services for wells and begin gathering requirements for improvements.
 - Continued to seek improvements for single window services in IRIS.

- Establish and implement a new system to assess oil and gas reserves.
 - A new system was used to successfully deliver oil and gas reserves reporting for the 2020 production year. See the below links to view the findings of these reports:
 - [2020 Oil Reserve Summary Report](#)
 - [2020 Gas Reserve Summary Report](#)

Strategy:

Build public confidence in industry regulation through transparency, accountability and engagement.

Key Actions:

- Continue the implementation of the Accelerated Site Closure Program (ASCP), utilizing \$400M in federal funding, to conduct well and facility abandonment and site remediation and reclamation.
 - ASCP ended operations on March 15, 2023, and fully deployed all \$400M in federal funding in support of Saskatchewan's oil and gas service sector companies and workers.
 - ASCP saw over \$90M in program funds support Indigenous participation.
 - The Indigenous Business Credit Pool made ASCP funding available to participating oil and gas producers to engage eligible First Nations and Métis contractors to complete site closure work. Over \$59M was paid to eligible Indigenous service companies for completed program work throughout the life of the program.
 - The First Nations Stewardship Fund allocated ASCP funding to conduct abandonment and reclamation activities on First Nation Reserve lands across Saskatchewan. Over \$32M in site closure work was completed under the Fund.
 - The program resulted in 9,823 well abandonments, 4,041 flowline abandonments, 66 facility decommissions and 16,710 site remediation and reclamation activities.
 - The program created an opportunity for licensees and Indigenous contractors to work together, create relationships and make a difference.
- Expand public access to regulatory information.
 - Improve public access to regulatory information on Saskatchewan.ca.
 - The ministry continued to publish notices related to regulatory amendments and consultations on Saskatchewan.ca.
 - Data related to Saskatchewan oil and gas operations (volumetrics, business associates, well/facility licence information and general well and facility information) is also now available on Petrinex.ca.
- Effectively manage the abandonment, decommissioning and remediation of oil and gas wells and mines.
 - Continued to administer the Acknowledgement of Reclamation program, ensuring that all end-of-life oil and gas sites are remediated and reclaimed to regulatory standards. In the 2022-23 fiscal year, the ministry approved 616 Acknowledgement of Reclamation Applications.
 - Continue to accept new sites into the Institutional Control Program.
 - A total of 30 sites were successfully administered in the program as of March 31, 2022, and no new sites were accepted into the program.
 - Provide oversight of the remediation of the abandoned Gunnar and satellite mine sites.

- In partnership with SRC, progress was made to remediate the abandoned Gunnar and Satellite mine sites through the Clean-up of Abandoned Northern Sites (CLEANS) project.
 - The work completed in 2022-23 included the remediation of the Gunnar waste rock pile, revegetation of covered tailings, monitoring of the remediated Lorado mile site and ongoing remediation at various stages occurred at multiple satellite sites.
- Ensure regulatory and permitting decisions are clear, consistent, predictable and timely to support industry investment decisions and community engagement.
 - The ministry conducted six public consultations related to service rights, hydraulic fracturing and other oil and gas technical matters. The outcomes of these consultations are posted on Saskatchewan.ca.
 - All Minister's Orders related to oil and gas operations that are issued by the ministry continued to be posted on Saskatchewan.ca.
- Continue to review and update regulatory rules and processes to support industry oversight and resource development.
 - Undertook a review of *The Surface Rights Acquisition and Compensation Act* to support action being taken against oil and gas licensees who are in arrears on their surface leases to landowners. This resulted in the introduction and passing of *Bill 95 - The Surface Rights Acquisition and Compensation Amendment Act, 2022*.
 - As of January 2023 the FSSCR are in effect, changes were implemented into IRIS to support industry compliance with the regulation. IRIS improvements provide industry with more accurate licensee liability rating calculations, efficient processing of licence transfer applications, efficient avenues to report reclamation expenditures under the ILRP and report on corporate financial information.

Performance Measure Results:

Reduction of Green House Gas (GHG) Emissions

Reduce methane based GHG emissions by 4.5M tonnes of CO₂e annually by 2025.

- Upstream oil and gas GHG emissions from venting and flaring have reduced by 7M tonnes of CO₂e by the end of 2022 from 2015 levels.

Cleanup of Abandoned Northern Sites (CLEANS)

The CLEANS project annual budget variance has a target of +/-5 per cent, in addition to total project costs being managed within the established liability.

- CLEANS project was budgeted \$31.5M for the 2022-23 fiscal year for the continued clean-up and monitoring of abandoned northern sites. Expenditures were \$23.15M, due to high water levels that impacted the Langley Bay tailing area of the Gunnar mine and mill site.

Accelerated Site Closure Program (ASCP)

Maintain a pace of completed work under ASCP in fiscal year 2022-23 to fully deploy all available funding over the life of the program.

- ASCP fully deployed all \$400M in federal grant funding to support Saskatchewan oil and gas service companies and workers, including First Nations and Métis service companies, through the abandonment and reclamation of inactive oil and gas sites across the province.

Maintain a pace of completed work under ASCP in fiscal year 2022-23 to support 2,100 full-time equivalent jobs in the oil and gas service industry over the life of the program.

- The program provided 2,500 full-time equivalent jobs in the oil and gas service sector within Saskatchewan.

Progress on Goal 3: Achieve organizational excellence

Saskatchewan's Growth Plan is focused on growing a strong economy, including growing Saskatchewan's natural resource advantage and improving competitiveness across Saskatchewan's natural resource sectors. Achieving organizational excellence ensures the Ministry of Energy and Resources is responsive, adaptable and effective in meeting client needs. The ministry will provide timely client services and develop new services or supports as needed.

Strategy:

Support world-class information systems.

Key Actions:

- Automate functions in IRIS to support helium development in the province.
 - In March 2023 the ministry implemented the Helium Royalties project into IRIS, which provides functionality that automates the calculation and billing of helium royalties to align with the billing system already in place for the oil and gas sector. The change replaced the manual invoicing of royalties for helium produced on or after February 2023.
- Expand IRIS to support implementation of the Financial Security and Site Closure Regulations.
 - In February 2023 the ministry launched new functionality into IRIS to support programming and administration of the following Financial Security and Site Closure Regulations initiatives: the enhanced Licensee Liability Rating program, the Inactive Liability Reduction Program, licence transfer process and corporate financial information submission.
- Establish a Project Management Office to strengthen oversight and delivery of Information Technology (IT) projects.
 - Advanced the standardized planning schedule and process for IT initiatives/projects to ensure prioritization and approvals align with the ministry's planned approval dates and the government-wide IT project governance process.

Strategy:

Exercise operational leadership.

Key Actions:

- Expand data availability to advance business intelligence and data analysis to further support decision making within the Ministry.
 - The ministry's Geoscience Data Management Project started, which will improve accessibility to high-quality geoscience data and increase competitiveness in the mineral and petroleum sectors.
- Focus on continued delivery of efficient organizational processes and programs.
 - Pursued opportunities to streamline processes and create efficiencies in order

to better support industry and the public while also strengthening internal operational excellence. Some examples include:

- The ministry moved away from the shared services model within the Ministries of Immigration and Career Training, Energy and Resources and Trade and Export Development to better meet the Growth Plan goals and future business needs of each ministry. This change simplified and streamlined existing processes and has allowed new branches greater flexibility to focus their expertise, support and attention on the needs of their specific ministries and goals.
- A review of the ministry's goals and strategies was conducted to ensure continuous improvement and to better align with strategic priorities.
- Ensure accurate and timely financial reporting to inform strategic and operational performance.
 - Collaboration continued with other government ministries and agencies to facilitate senior leadership budget discussions in alignment with actions outlined in the ministry's strategic plan.

Performance Measure Results:

Client Inquiries

Reduce client inquiries by 80 per cent and reduce client inquiry response time by 40 per cent, from 24 days (2020-21 average) to 14 days, through modernization of the Mineral Rights Tax program.

- The desired target for reducing client inquiries was not achieved due to unforeseen technical issues experienced with the new system and requirements. Despite an influx in user inquiries, a reduction of nine per cent in response time was achieved. With lessons learned during the implementation process of this system, the ministry has reassessed this metric and will focus on reducing response time to better assist clients.

Service Desk Case Closure Rate

Reduce unresolved case rate to six per cent or lower within the prescribed target based on priority level assignment.

- For 2022-23, the unresolved case rate within the prescribed target was 10 per cent, a reduction of four per cent from the previous year. The following efforts were made to achieve the goal: focused weekly reviews with leadership, increased case management training for users and investigation of incorrectly assigned cases, leading to improved documentation and training materials. Continual improvements will be explored and implemented to achieve the set target.

Financial Summary

The ministry's actual expenditures for 2022-23 were \$237M, which was \$3.1M under the budgeted appropriation of \$240.2M. This includes an additional \$15M appropriation received for ASCP.

The ministry collects revenue on behalf of the Government of Saskatchewan from the production and sale of Saskatchewan's energy and mineral resources, disposing of Crown mineral rights and other associated taxes, services and fees. All revenue collected is deposited in the General Revenue Fund. In 2022-23 the ministry recorded revenues of \$3,878.1M, an increase of \$1,275.1M over budget estimates.

Expense Summary

The following table outlines information on actual and budgeted expenditures by subvote and subprogram, as per the structure for the Ministry of Energy and Resources. Variance explanations are provided for individual variances that are greater than \$500,000.

Expense Actuals

	<i>In thousands of dollars</i>				
	2021-22 Actuals	2022-23 Budget	2022-23 Actuals	2022-23 Variance	Notes
ER01 Central Management and Services					
Minister's Salary (Statutory) ¹	53	55	55	0	
Executive Management	841	929	904	(25)	
Central Services	15,318	20,814	20,156	(658)	1
Accommodation Services	3,078	3,054	3,180	126	
ER01 Central Management and Services Total	19,290	24,852	24,295	(557)	
ER05 Energy Regulation					
Operational Support	13,929	11,854	11,854	0	
Surface Rights Arbitration Board	150	229	184	(45)	
Accelerated Site Closure Program	158,704	127,000	126,973	(27)	
ER05 Energy Regulation Total	172,783	139,083	139,011	(72)	
ER06 Resource Development					
Operational Support	7,687	4,440	4,621	182	
Lands and Mineral Tenure	-	-	-	-	
Saskatchewan Geological Survey	4,182	6,083	4,594	(1,489)	2
Forestry Development	-	-	-	-	
Remediation of Contaminated Sites	26,770	65,767	64,560	(1,207)	3
ER06 Resource Development Total	38,639	76,290	73,775	(2,515)	
Total Appropriation	230,712	240,225	237,081	(3,144)	
Remediation of Contaminated Sites	(26,770)	(65,767)	(64,560)	1,207	3
Capital Asset Acquisition	(2,153)	(3,822)	(2,184)	1,638	4
Capital Asset Amortization	3,767	3,949	3,899	(50)	
Total Expense	205,556	174,585	174,236	(349)	

Variance Explanations (Amounts greater than \$500,000):

1. Savings due to delayed capital projects and vacancy management.
2. Savings due to delayed capital projects, vacancy management and transfers.
3. Original estimate for the liability of the Gunnar Mine Site was lower than anticipated.
4. Savings due to delayed capital projects.

¹ Statutory adjustment to Minister's Salary

Revenue Summary

The following table outlines information on actual and budgeted revenue by category for the Ministry of Energy and Resources. An explanation of major variances is provided on all revenue that is greater than \$3M.

Revenue

Revenue	In thousands of dollars			Notes
	2022-23 Budget	2022-23 Actuals	2022-23 Variance	
Non-Renewable Resource Revenue				
Oil	863,600	1,123,125	259,525	1
Crown Land Sales	19,300	52,545	33,245	2
Natural Gas	3,900	6,253	2,353	
Potash	1,451,700	2,403,921	952,221	3
Uranium	41,953	68,769	26,816	4
Other Minerals	36,547	46,376	9,829	5
Total Non-Renewable Resources	2,417,000	3,700,989	1,283,989	
Other Own-Source Revenue				
Mineral Rights Tax	9,500	10,406	906	
Sales, Services and Service Fees	912	9,509	8,597	6
Other Miscellaneous Revenue	15	448	433	
Transfers from the Federal Government	175,600	156,804	(18,796)	
Total Other Own-Source Revenue	186,027	177,167	(8,860)	
Total Revenue	2,603,027	3,878,156	1,275,129	

Explanations of Major Variances:

1. Increase in oil revenues of \$259.5M was primarily due to the increase in oil production and the West Texas Intermediate (WTI) price.
2. Increase in Crown land sales of \$33.2M are mainly due to land selections in areas prospective for oil that were frozen for 18 months becoming available.
3. Increase in potash revenues of \$952M are due primarily to increases in realized prices and Crown production.
4. Increase in uranium revenues of \$26.8M due primarily to significantly higher basic and profit royalties.
5. Increase in other minerals of \$9.8M is due primarily to higher-than-expected production of gold.
6. Increase in sales and service fees of \$8.5M can be primarily attributed to Treaty Land Entitlement revenues. They are higher due to the project being in post payout. Oil valuation and production has increased the calculation of royalties payable.

Additional financial information can be found in the Government of Saskatchewan Public Accounts located at <https://publications.saskatchewan.ca/#/categories/893>