

# Annual Report for 2022-23

## The Oil and Gas Regulatory Cost Recovery Levy

### Ministry of Energy and Resources

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## Purpose of the Annual Report

The *Oil and Gas Regulatory Cost Recovery Levy Annual Report* delivers on the Government of Saskatchewan's commitment to provide transparency on the accounting for expenditures related to *The Oil and Gas Regulatory Cost Recovery Levy*, otherwise known as "The Administrative Levy." This year's report details the regulatory priorities over the past year and associated performance measures of the Saskatchewan Ministry of Energy and Resources, Ministry of Environment, and the Ministry of Agriculture. A full accounting of regulatory expenditures is provided at the end of the report.

The Administrative Levy ensures that Saskatchewan's regulatory system is able to meet public expectations for regulatory oversight of the oil and gas industry. The Administrative Levy also enables activities that help to keep pace with the needs of industry in support of access to data and to the submission of various types of applications and information reporting requirements. The Administrative Levy recovers 90 per cent of the regulatory costs for the oil and gas regulatory activities of the ministries of Energy and Resources, Environment and Agriculture. Those regulatory activities include:

- Licensing of wells, facilities and pipelines;
- Review of seismic plans and permitting;
- Inspection of well sites, pipelines and related facilities;
- Reporting of oil and gas production;
- Responsible resource development;
- Emissions management;
- Abandonment of wells and facilities;
- Environmental reviews of proposed wells and facilities; and
- Review and approval of Crown surface lease applications.
- Provide service desk support for industry to direct inquiries and support the usage of the Integrated Resource Information System (IRIS).
- Developing training materials for industry use to outline proposed regulatory changes and provide support for the usage of functionality improvements in IRIS and other submission requirements.

Information regarding past year's Administrative Levy reports can be found at:

<https://www.saskatchewan.ca/business/agriculture-natural-resources-and-industry/oil-and-gas/oil-and-gas-reporting-and-compliance/well-levy>.

## Regulatory Overview

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 Energy Regulation Division of Energy and Resources operates as the primary regulatory authority for activities licensed under *The Oil and Gas Conservation Act* in support of the mission to advance responsible resource development. Key strategies in the Energy and Resources annual plan that align with the regulatory functions include:

- Apply a results-based approach to the development and delivery of regulatory programs.
- Pursue initiatives that contribute to sustained public confidence in industry regulations, strengthened client service and the delivery of efficient and effective regulatory programs.

- Continuously improve operational performance, service delivery and financial management.
- Improve client service delivery through innovative solutions.

Key strategies in the Ministry of Environment annual plan that align with the regulatory functions include:

- Collaboratively design and implement regulatory tools and processes to enhance environmental outcomes.
- Continue to review and develop guidance on the ministry's regulatory and permitting framework to support new and existing partners in developing within the province.

## Regulatory Highlights and Accomplishments for 2022-23

- Implementation of *The Financial Security and Site Closure Regulations (FSSCR)* and related updates to *Directive PNG025: Financial Security Requirements*, to continue to strengthen liability management requirements related to oil and gas wells and facilities.
- Supported by the Accelerated Site Closure Program, 2,961 licensed wells were cut and capped during the fiscal year.
- New *Directive PNG048: Hydraulic Fracturing Requirements*. This new directive provides requirements on hydraulic fracturing operations to ensure all risks associated with the operations are managed.
- The following directives were implemented or enhanced with the focus on increasing the effectiveness of pipeline activities:
  - Revisions made to the *Directive PNG034: Saskatchewan Pipelines Code* to enhance the Ministry of Energy and Resources oversight activities respecting pipeline abandonments.
  - Consultations with industry occurred on the *Directive PNG036: Venting and Flaring Requirements* that allowed the Ministry to provide clarity on both venting and flaring requirements for pipeline operations.
- Updated *Directive PNG006: Horizontal Oil and Gas Well Requirements*. This directive was updated to include requirements associated to horizontal gas wells and enhance clarity of rules around horizontal oil and gas wells.
- Updated *Directive PNG007: Off-Target Well Requirements*. Updates were made to clarify off-target well licensing requirements and promote alignment functionality in the Integrated Resource Information System (IRIS).
- Updated *Directive PNG017: Measurement Requirements for Oil and Gas Operations*. Updates included gas oil ratio testing requirements, gas volume metering, and other measurement requirements.
- Implemented the non-hydrocarbon gas (helium) valuation to support the use of Petrinex for the reporting of monthly helium valuation information.
- Enhanced downloadable Saskatchewan public data related to oil and gas activities in Petrinex. That data can be accessed at <https://www.petrinex.ca/PD/Pages/SPD.aspx>.
- Ministry staff conducted 24,889 inspections of wells, facilities, and pipelines across the province to ensure safe operations and confirm the accuracy of measurement of emissions and volumetric measures in place.
- Approximately 32,500 data logs and 780,000 non-log data files were scanned in advance of a planned upload into the Integrated Resource Information System (IRIS).
- Through increased focus and process improvements, regulatory-related service desk inquiries saw a six per cent reduction in the number of cases that exceeded prescribed target response times over the year. Total cases exceeding the prescribed times fell to 11 per cent.

## What we do

### Inspection and Compliance Verification, Enforcement and Emergency Management

Energy Regulation Division staff at the Ministry help ensure the safe, environmentally sound operation of wells, facilities and pipelines through various monitoring and inspection activities. Field staff conduct onsite inspections and routinely review submitted information to ensure that licensees comply with regulatory rules and work with licensees to identify solutions to emergent issues. Field staff also provide on-the-ground support to landowners and operators related to the development, operation and abandonment of wells and facilities. If necessary, staff may exercise the authority to suspend operations until issues are addressed.

Onsite inspection activity is driven by the need to ensure that operations are being run in a safe and effective manner and that equipment in place related to the measurement of emissions and volumetrics is effective. In 2022-23, Energy and Resources conducted 24,889 site inspections.

Using data acquired since the implementation of IRIS, ER staff began a five-year initiative in 2021-2022 to maximize regulatory oversight of wells that have not received inspection since 2015. Each uninspected well was assessed based on various risk factors including location, fluid type, well production volume, wells that are connected by flowline versus tanks, and well type. Of the 18,511 wells identified for inspection based on high-medium risk factors, ER had completed 13,112 by the end of 2022-23.

Inspections Completed by Type	Totals
Facility Inspection	359
Incident Inspection	389
Measurement Inspection - Gas Facility	1
Measurement Inspection - Oil Facility	3
Measurement Inspection - Waste/Disposal/Pressure Maintenance Facility	2
Measurement Inspection - Well	47
Pipeline Inspection - Construction	63
Pipeline Inspection - Pressure Test	140
Pipeline Inspection - Right of Way	11
Rig Inspection	80
Well Inspection	23,794
Total	24,889

Upstream oil and gas operators are required to notify and report any incidents that occur in the field to the Ministry of Energy and Resources. The number of incidents in 2022-23 remained consistent with previous years. The following is a breakdown of reportable incidents by infrastructure type. The Ministry monitors reported incidents to identify any potential emergent risk and to help inform future inspection activities.

Reportable Incidents by Infrastructure Type		
Source	2022-23	
	Number	Per cent
Wells	145	31%
Facilities	82	17%
Pipelines	9	2%
Flowlines	158	33%
Other	28	6%
Unconfirmed *	53	11%
Total	475	100%

\*Unconfirmed category includes incidents which are still within the 90-day final reporting period and the source has not been confirmed.

A focus remains on the timely and accurate submission of well, valuation and volumetric data. Each year, a number of validation reviews of various data submissions are undertaken in an effort to verify and increase the accuracy of the data.

## Emissions Management

The Ministry remained responsible for regulations that oversee the reduction of upstream oil and gas emissions. *The Oil and Gas Emission Management Regulations (OGEMR)* have successfully supported significant emissions reductions by industry since first implemented in 2019. The OGEMR Annual Emissions Report for 2022 was published in June 2023. In Saskatchewan, greenhouse gas emissions from vented and flared gas at upstream oil facilities totaled 3.9 million tonnes (Mt) of carbon dioxide equivalent (CO<sub>2</sub>e) in 2022, representing a reduction of 7.0 Mt CO<sub>2</sub>e from 2015 levels (equivalent to taking more than 1.5 million cars off Saskatchewan roads).

Various types of applications support the ongoing program operation for emissions management. The following related applications were administered by the Ministry of Energy and Resources during the year.

Application Type	2022-23 Totals	Turnaround times (Days)
Emissions Adjustment Application	3	31.4
Emissions Reduction Plan Application	2	82.3
Qualifying Conservation Project Application	6	26.8
Venting/Flaring Application	23	26.1

The Ministry continues to work to ensure that equivalency with the Government of Canada on methane remains in place. To that end, projects were initiated to develop Saskatchewan-specific emissions research to ensure decisions are informed by data from the province and its industry. Subsurface storage, particularly carbon capture and storage, has become an increased focus of the Ministry, given the interest in sequestering carbon and energy storage.

## Reservoir Management

The prevention of waste and the equitable production of oil and gas and associated minerals remain a key focus of regulatory activities. Using wells and reservoirs for non-oil and gas purposes – potash solution, helium, lithium – is an area of growing interest that the Ministry is engaged in to ensure proper regulatory oversight is in place. Guideline documents to support industry to understand the opportunity and rules governing helium and lithium development have been posted at <https://www.saskatchewan.ca/business/agriculture-natural-resources-and-industry/helium> and <https://www.saskatchewan.ca/business/agriculture-natural-resources-and-industry/mineral-exploration-and-mining/lithium>.

During the year, Energy and Resources was able to publish updated oil and gas reserves estimates (2020 reserve numbers) which can be found at <https://publications.saskatchewan.ca/#/categories/1223>.

The Ministry also worked with industry to develop a simplified process in support of applications for drilling replacement wellbores in SAGD wells. The improved process effectively reduces the turnaround times for approvals for these applications from one to two weeks to one to two days.

## Liability Management, Closure and Orphan Programming

The focus of the liability management programming is to protect taxpayers and landowners from any long-term liability stemming from well and facility development. Liability management programming involves developing policies and programs related to the timely abandonment and reclamation of wells and facilities, including the management of liabilities associated with these activities. In 2022-23, liability management continued to be strengthened with the introduction of the Financial Security and Site Closure Regulations, which came into effect on January 1, 2023.

The Regulations enable the implementation of:

- **The Inactive Liability Reduction Program:** Through the Program, licensees will now be required to retire a portion of their inactive liabilities each year through an annual reduction target, based on a prescribed liability reduction percentage that increases over time.
- **Proportional Risk Transfer Assessments:** An effective method for determining the additional security deposits required for transfers between licensees that involve a high percentage of inactive wells and facilities.
- **Enhanced Licensee Liability Rating Program:** Features an updated formula that better reflects a licensee's true assets and liabilities to calculate a more accurate, licensee-specific netback.
- **Enhanced Licence Eligibility Criteria:** Additional criteria has been added to *The Oil and Gas Conservation Regulations (OGCR)* to help the Ministry assess risks in issuing or transferring a well or facility licence, including the applicant's compliance history, experience and financial health. A definition of a "closure company" has also been added to the Regulations to allow companies whose primary business is the abandonment and reclamation of inactive oil and gas infrastructure and related sites to be eligible to acquire licences for that purpose.



- **Orphan Fund Fee Removal:** The one-time orphan fund fee for first-time license holders has been removed from the OGCR and is no longer required.
- **Corporate Health Test:** The Financial Security and Site Closure Regulations will require licensees to submit to the Ministry upon request corporate financial information that may be used to assess the financial health of a licensee.

The Ministry of Energy and Resources continues to see strong numbers of wells being cut and capped, in large part a result of the Accelerated Site Closure Program, which concluded in March 2023. In total, 2,961 licensed wells were cut and capped during the fiscal year. There were also 616 Acknowledgement of Reclamation approvals issued for 2022-23, which is the final acknowledgement that a site has been returned as reasonably close to the conditions that existed prior to the time the well/facility operation was commenced.

ER oversees the programming to identify orphaned upstream oil and gas well and facility sites in Saskatchewan. The Orphan Fund Program is responsible for the care and custody and ultimate abandonment of those orphaned sites. Regarding Orphaned sites, the Orphan Fund Program oversaw the abandonment of 77 wells, 127 environmental site assessments, 304 reclamation projects (surface restoration) and 23 Acknowledgement of Reclamation applications as part of final site closure.

## Licensing

Approval of licences in a timely manner remains a key focus of ER. Licence applications that meet certain criteria may be classified as routine; in which case a licence is automatically issued. A non-routine licence application requires further review prior to a licence being issued. Routine licences are subject to post-issuance audits to ensure that information provided at the time of application was correct.

Licence Application Type	2022-23 Totals	Turnaround times (Days)
Application for Well Licence – Routine	943	0
Application for Well Licence – Non-Routine	1135	8
Licence Transfer Application	237	6.4
Application for Facility Licence – Routine	72	0
Application for Facility Licence – Non-Routine	115	13.1
Application for Pipeline Licence – Routine	684	0
Application for Pipeline Licence – Non-Routine	38	9.2

The cancellation rate for well licence applications in 2022-2023 was 3.8 per cent (target is less than 5.6 per cent). ER has taken strides over the past few years to continue to work with industry to ensure that cancellation of licence applications, which can lead to increased costs to industry, are a last resort and ultimately a result of a failure to meet licence eligibility criteria.

Of note:

- Well licence applications: 54.7 per cent non-routine and 45.3 per cent routine.
- Facility licence applications:

- New – 60.6 per cent non-routine and 39.4 per cent routine.
- Amendment – 64 per cent non-routine and 36 per cent routine.

## Information Technology Development

The development of enhanced functionality within IRIS to address improvement requests from industry and to support regulatory functions continued throughout the year. The Ministry works alongside industry to prioritize improvements and address the most pressing needs. Alongside numerous minor changes, this year the following enhancements were implemented:

- Implementation of functionality to support the *Financial Security and Site Closure Regulations* in IRIS.
- A new structured Routine/Non-Routine Well Abandonment Application has been implemented. The application provides a system-generated authorization where the application proposes that abandonment operations will be conducted in a routine manner as per Directive PNG015.
- An enhancement to Hydraulic Fracture Treatments allows users to report required information, as part of *Directive PNG048: Hydraulic Fracturing Requirements*, directly into IRIS as structured data, when reporting a hydraulic fracture.
- Added ability to report an additional wellbore while drilling without requiring an authorization being issued.
- Various updates over the year to improve reporting associated to flowlines and pipelines.
- Structured surface casing vent flow reporting.
- Change Header Information on Well Display - Updated header information to be consistent and more useful across the well details, drilling activity, wellbore and well completion screens in IRIS.

## Surface Rights

ER also provides operational support to the Surface Rights Board of Arbitration (SRBA) which is a Board used as a last resort when a landowner or occupant and an oil/gas or potash operator are unable to reach an agreement for surface access to private land and related compensation.

The SRBA conducted hearings for matters such as:

- The rights required by the operator to enter on the surface of the land;
- Damage claims;
- Compensation for wellsite and/or flowlines;
- Reclamation of abandoned land sites; and
- Rental reviews.

In 2022-23, the Board held 21 hearings, issued nine Rights of Entry, issued three Compensation Orders, and received 24 Applications for Rental Reviews.

More information on the Board, its activities and a history of Board Orders can be found at <https://www.saskatchewan.ca/government/government-structure/boards-commissions-and-agencies/surface-rights-board-of-arbitration>.

In 2022-23, ER consulted with landowners, the landowners' association, industry associations and other interested parties in amendments to the Surface Rights Acquisition and Compensation Act (SRACA). Changes proposed included allowing the Board to hear cases and issue compliance orders to oil and gas companies (operators) for payment of delinquent surface rights compensation owed to landowners. If that Order was not followed, ER would then have the right to suspend a delinquent license.

## Ministry of Agriculture

In 2022-23, land management specialist work included site inspections and review of new projects, remediation and reclamation proposals (including surface leases, easements, integrity digs, temporary workspaces, seed mixes, etc.) and Acknowledgement of Reclamation applications.

Some key initiatives underway involving the Ministry of Agriculture (Agriculture) include:

- Review of seismic plans and permitting: Agriculture reviewed numerous seismic applications. Agriculture is participating in a provincial government seismic working group to review current seismic regulations, align seismic policies across the ministries of Agriculture, Environment and the Saskatchewan Water Security Agency and develop a process for those organizations to review seismic exploration applications in IRIS.
- Inspection of well sites, pipelines and related facilities and abandonment of wells and facilities:
  - Agriculture inspected numerous well sites, pipelines and related facilities, including one new integrity dig disposition and the renewal of one integrity dig disposition, and processed 42 surrenders.
  - Agriculture is undertaking an internal review of restoration requirements on agricultural Crown land. It anticipates the review will outline internal roles/responsibilities for Agriculture staff, identify gaps in staff training, streamline the review process for restoration projects and align the process with other regulatory requirements.
  - As required under the federal *Species at Risk Act* Section 63, Agriculture collaborates with the ministries of Environment and Energy and Resources to report on the number of surface leases reclaimed within federally designated critical habitat for species at risk and the greater sage-grouse emergency protection order. This reporting includes surface leases reclaimed on both privately-owned and public (Crown) lands. In 2022-23, there was ongoing targeted reclamation in Saskatchewan for one oil and gas well within the greater sage-grouse emergency protection order area, 70 wells in critical habitat areas and one battery site, in collaboration with industry.
- Agriculture reviewed numerous applications for proposed wells and facilities and hired two land management specialist team leads to develop internal training and processes for oil and gas applications. The land management specialist team lead work is anticipated to identify gaps in

Agriculture staff training, expand staff development and align and streamline the review process.

- Agriculture reviewed 68 new Crown surface lease applications (11 awaiting signature), amended 75 existing dispositions and renewed 412 existing dispositions. The Water Security Agency reviewed Agriculture oil and gas surface lease agreements, which is anticipated to align the Water Security Agency's and Agriculture's oil and gas surface lease agreements.

**Please note:** To ensure there are no delays due to staff changes or availability, please submit future oil and gas notifications on agricultural Crown land to the applicable regional mailbox (below). To determine which region and district the submission falls under, please reference the Agriculture Lands Branch map on [saskatchewan.ca](https://saskatchewan.ca)

- [landsnorthoilandgas@gov.sk.ca](mailto:landsnorthoilandgas@gov.sk.ca)
- [landssouthoilandgas@gov.sk.ca](mailto:landssouthoilandgas@gov.sk.ca)

## Ministry of Environment

As part of oil and gas regulatory oversight, the Ministry of Environment reviews oil and gas project proposals and conducts pre, during and post-construction site inspections. In the 2022-23 fiscal year, ENV processed 2,055 oil and gas project proposals, of which 1,112 were deemed to be non-routine applications. Site inspections were associated with approximately 10 per cent of those projects depending on what type of environmental sensitivities exist. This would include staff time in the field with pre-siting inspections in collaboration with companies prior to well licence applications submitted through IRIS. Non-routine projects often require additional review time or supplemental information requests due to factors such as siting on environmentally sensitive lands, proximity to endangered species and Crown administered lands.

Continued effort has been spent working with industry regarding the use of new technologies and to support new companies to Saskatchewan to understand and fulfill their obligations. Environment also works with oil and gas licensees to support surface reclamations as part of abandonment programs, which saw a significant increase in activity due to the successful Accelerated Site Closure Program.

The Ministry of Environment currently administers more than 875 oil and gas dispositions on resource Crown land, including park lands.

## Administrative Levy Calculation – 2022-23

The Ministry of Energy and Resources assesses an annual Administrative Levy against all licensees of wells and pipelines in accordance with provisions outlined in *The Oil and Gas Conservation Regulations, 2012*.

The amount of the annual invoice is tied to the number of wells in the various well classes (these are based on the volume of oil and gas produced from the well) and the length in kilometres for various classes of pipelines in operation in the previous calendar year. The Administrative Levy calculated and invoiced for the 2022-23 fiscal period was based on the performance of wells and the length of pipelines operating during the 2021 calendar year.

An annual adjustment factor established by an Order-in-Council adjusts each year's payment to account for changes in the revenue requirements of the Government of Saskatchewan for the provision of regulatory services. Administrative Levy invoices are typically issued in the second fiscal quarter of the year after approval of the provincial budget.

Each well and pipeline is charged a base fee multiplied by an adjustment factor. The adjustment factor is set annually to ensure that 90 per cent of forecast regulatory expenses are recovered. The provincial budget for regulatory services affects the Administrative Levy rates, as do changes in the number of wells, volume of production and pipeline lengths.

The following table summarizes the calculation of the base Administrative Levy revenues for each of the well levy classes and pipeline classes as well as the calculation of the adjustment factor that is applied to the base amounts for invoicing purposes for the 2022-23 fiscal period. As previously noted, these are based on the performance of wells and the length of pipelines operating during the 2021 calendar year.

### Annual Adjustment Factor Calculation, 2022-2023 (Base Year 2021)

Annual Adjustment Factor Calculation, 2022-2023 (Base Year 2021)					
Class	Production (cubic metres / year)	Base Rate by Class	Number of Well Licences	Base Revenues	
1	Service Wells	\$100	5,914	\$591,400	
2	0.1 to 300.0	\$100	25,979	\$2,597,900	
3	300.1 to 600.0	\$125	7,252	\$906,500	
4	600.1 to 1,200.0	\$312	5,341	\$1,666,392	
5	1,200.1 to 2,000	\$750	2,431	\$1,823,250	
6	2,000.1 to 4,000.0	\$1,250	1,714	\$2,142,500	
7	4,000.1 to 6,000.0	\$1,625	372	\$604,500	
8	6,000.1 and above	\$1,875	480	\$900,000	
9	Wells other than abandoned	\$25	34,717	\$867,925	
<b>TOTAL</b>			<b>84,200</b>	<b>\$12,100,367</b>	<b>A</b>

Pipeline Class	Status of Pipeline Segment	Base Rate by Class per kilometre:	Length (kms)	Base Revenues	
1	Flowlines	N/A	N/A	N/A	
2	Operating	\$40	22793.94	\$911,757.52	
3	Discontinued	\$20	1742.32	\$34,846.34	
		<b>TOTAL</b>	24,536.3	\$946,603.86	<b>B</b>
		<b>TOTAL BASE AMOUNT (C=A+B)</b>		<b>\$13,046,970</b>	<b>C</b>
		<b>2022-23 Regulatory Budget:</b>		\$26,444,000	
			<b>Industry Share (90%):</b>	<b>\$23,800,000</b>	<b>D</b>
		<b>Annual Adjustment Factor (E=D÷C):</b>		<b>1.824178</b>	<b>E</b>

## Financial Reporting

### Administrative Levy Revenue and Regulatory Costs

ADMINISTRATIVE LEVY REVENUE AND REGULATORY COSTS (\$000s)		2022-23 Budget	2022-23 Actual
TOTAL ADMINISTRATIVE LEVY INVOICED			23,798
LESS: REGULATORY COSTS INCURRED (90%)			23,704
VARIANCE			94
2022-23 VARIANCE			94
2021-22 VARIANCE CARRY FORWARD			2,340
2022-23 VARIANCE CARRY FORWARD			2,434
COST DETAIL			
1	Energy Regulation Division (ERD) Executive	739	546
2	Field Services	5,256	5,449
3	Liability Management	1,248	1,402
4	Resource Management	2,050	1,770
5	Information Management	2,094	1,950
6	Client Support	1,615	0
7	Regulatory Affairs	409	724
8	Surface Rights Arbitration Board	229	184
9	Orphan Well Fund	40	2
10	Central Learning Fund	0	64
11	Information Technology and Database Costs	5,650	6,794
12	Central Overhead and Costs	5,482	5,908
TOTAL MINISTRY OF ENERGY AND RESOURCES		24,812	24,793
OTHER MINISTRIES			
13	Agriculture	588	668
14	Environment	1,044	877
TOTAL COSTS: ALL MINISTRIES		26,444	26,338
ADMINISTRATIVE LEVY 90%		23,800	23,704

Ref #	Description
1	Energy Regulation Division (ERD) Executive Executive leadership of the Energy Regulation Division; and administrative support functions.
2	Field Services Branch is responsible for regulatory and policy development, monitoring, on-ground support, audit, inspection and enforcement related to the life cycle activities of wells, facilities, and pipelines. Ministry lead in responding to and providing oversight for operational activities and incidents involving wells, facilities and pipelines including ensuring reclamation activities are undertaken for such incidents.
3	Liability Management Branch oversees programming related to inactive infrastructure closure obligations, reclamation standards, procedures and practices; Licensee Liability Rating (LLR) administration; Orphan well fund administration and procurement; care and custody of at-risk sites; management of severely contaminated sites; and well and facility transfer approvals.
4	Resource Management Branch is responsible to ensure resource extraction, storage and disposal activities utilizing wells are done in a responsible manner to maximize resource potential, prevent waste, ensure equitable production of resources, ensure public safety and protect the environment. Branch also oversees the reduction of greenhouse gas emissions from upstream oil and gas activities; and, established production allowables, completion allocations, spacing areas, pools, forced pooling and units for oil and gas production.
5	Information Management Branch is responsible for well, facility and seismic information collection, monitoring, validation and publication; drilling core and cuttings collection, storage and administration; measurement standards, audits and compliance; and the licensing, sale and distribution of electronic data.
6	Client Support In April 2022, ER restructured this branch. Well licensing functions were moved to the Regulatory Affairs branch. IT development and service enhancements management and support costs (service desk operations, industry training development) for the year are now accounted for under the Information Technology and Database Costs and Central Overhead and Costs categories.
7	Regulatory Affairs and License Management Leads and manages activities related to regulatory/legislative/directive development, consultation practices, Administrative Levy reporting and accountability and red tape and program reviews. Branch coordinates approvals and conducts review of well licences.
8	Surface Rights Board of Arbitration (SRBA) Administration costs for the SRBA, governed by <i>The Surface Rights Acquisition and Compensation Act</i> . The SRBA is used as a last resort when a landowner or occupant and an oil/gas or potash operator are unable to reach an agreement on the terms of surface access for oil, gas or potash development purposes and/or the compensation payable.
9	Orphan Well Fund Covers legal expenses for activities associated with pre-orphaned companies.
10	Central Learning Fund Costs associated with training for ERD employees. Costs typically relate to educational opportunities to support technical knowledge or public administration functions.
11	Information Technology and Database Costs Costs associated with the on-going development, support and maintenance of IRIS, including IT costs for the support and maintenance of IRIS. Costs also include the amortization costs of capitalized IRIS IT projects and the operating costs of the legacy systems replaced by IRIS that are in the process of being phased out.
12	Central Overhead and Costs Allocation of central accommodation, IT, service desk and benefit costs attributable to Administrative Levy activities; accommodation costs for the Subsurface Geological Laboratory where core samples gathered in accordance with regulations are located; amortization costs of capitalized Subsurface Geological Laboratory assets and capitalized Fields Services branch field assets; and staff development costs not covered under the Central Learning Fund.
13	Ministry of Agriculture Salary, expenses and mileage for site inspections, review of new project proposals, abandonment inspections, lease spills, seed mix reviews and approvals;



	Salary and operating costs for one director, one agreement coordinator to prepare leases and address industry inquiries and Regina staff involved in policy development, rate review, billing, collections and accounting associated with active leases.
14	<p>Ministry of Environment</p> <p>Salaries and operating costs for ecological protection specialists, support staff and manager from the Lands Unit responsible for review and approval of oil/gas industry proposals.</p> <p>Time for registry staff from the Corporate Services Branch responsible for producing and completing all land dispositions associated with industry.</p> <p>Oil/gas industry related time for staff at the ENV's Conservation Data Centre, which provides rare and endangered species information to industry for use in planning exploration and development;</p> <p>Time allocated to the regional wildlife and fisheries biologist to associate with industry, and issues/proposals for Environmental Assessment and Stewardship Branch staff.</p>

## Appendix A: Applications by Type w/Average Turnaround Times

Submission Count		2022/23 Submission Count	Turnaround Time (Business Days)
Accelerated Site Closure Application	Total	282	0.0
Acid Gas Disposal Application	Total	1	101.2
Acknowledgment Of Reclamation Application (Legacy)	Total	1	526.9
Additional Wellbore Application	Total	64	3.4
Application for Non-Routine Abandonment (Legacy)	Total	3,386	3.8
Application For Obligation Deletion	Total	1	22.7
Application For Obligation Extension	Total	93	1.4
Application For Obligation Waiver	Total	399	5.3
Application for Pipeline Licence	Total	722	0.5
Application for Well Licence	Total	2,078	4.3
Application For Well Repair	Total	248	2.3
Application to Review Confidentiality Period	Total	7	7.2
CO2 Storage Project Application	Total	1	34.9
Commingling - Disposal/Other	Total	12	13.4
Commingling - Oil/Gas	Total	52	2.8
Concurrent Production Application	Total	4	25.6
Daily Allowable Application	Total	2	1.8
Emissions Adjustment Application	Total	3	31.4
Emissions Reduction Plan Application	Total	2	82.3
Enhanced Recovery Application	Total	123	14.2
Extend Inspection Item Due Date Application	Total	1,578	2.2
Facility Decommission Application	Total	64	12.4
Facility Licence Application	Total	187	8.0
Full Exemption from Reclamation	Total	123	21.7
Gas Well Test Waiver Application	Total	1	1.0
Good Production Practice (GPP) Application	Total	15	23.5
ILRP Compliance Plan Application	Total	2	4.3
Licence Transfer Application	Total	237	6.4
Logging Amendment Application	Total	146	2.1
Maximum Permissible Rate (MPR) Application	Total	52	3.6
Measurement Exemption Application	Total	23	135.0
Measurement, Accounting and Reporting Plan	Total	5	24.6
Multi-Licensed Site Liability Reduction	Total	118	1.5
Non-Routine Pipeline Abandonment Application	Total	2	5.1
Overproduction Mitigation Plan Application	Total	1	2.1

Submission Count		2022/23 Submission Count	Turnaround Time (Business Days)
Partial Exemption from Reclamation	Total	99	26.5
Pipeline Leave to Open Application	Total	595	0.4
Pipeline Licence Data Amendment Application	Total	102	0.8
Pipeline Liner Install Application	Total	9	7.3
Pipeline Reactivation Application	Total	25	7.9
Pipeline Removal Application	Total	83	0.0
Pipeline Segment Cancellation Application	Total	52	11.4
Pipeline Segment Data Amendment Application	Total	751	1.6
Pipeline Segment Replacement or Reroute	Total	6	7.8
Qualifying Conservation Project Application	Total	6	26.8
Reclamation Application	Total	764	25.4
Reclamation Declaration Application	Total	410	0.0
Reclassification Application	Total	68	6.2
Recompletion	Total	60	2.6
Retroactive Pipeline Licence	Total	803	0.0
Security Deposit Refund Request Application	Total	53	2.0
Spacing Modification Application	Total	60	13.5
Storage Project Application	Total	2	20.6
Venting/Flaring Application	Total	23	26.1
Well Abandonment Application	Total	24	0.1
Well Test	Total	48	5.3

## Appendix B: Governing Legislation

### Legislation

Rules governing the oversight of oil and gas operations can be found in the following pieces of legislation, regulation, and directives.

Legislation overseen by the Ministry of Energy and Resources includes:

- *The Financial Security and Site Closure Regulations.*
- *The Oil and Gas Conservation Act.*
- *The Oil and Gas Conservation Regulations, 2012.*
- *The Petroleum Registry and Electronic Documents Regulations.*
- *The Pipelines Act, 1998.*
- *The Pipeline Regulations, 2000.*
- *The Seismic Exploration Regulations, 1999.*
- *The Surface Rights Acquisition and Compensation Act.*
- *The Surface Rights Acquisition and Compensation Regulations.*

The above legislation can be found here: <https://publications.saskatchewan.ca/#/categories/1210>.

ER also administers various directives including:

- *Directive PNG001 - Facility Licence Requirements.*
- *Directive PNG003 - Well Survey Requirements.*
- *Directive PNG004 - Surface Lease Construction Requirements.*
- *Directive PNG005 - Casing and Cementing Requirements.*
- *Directive PNG006 - Horizontal Oil Well Requirements.*
- *Directive PNG007 - Off-Target Well Requirements.*
- *Directive PNG008 - Disposal and Injection Well Requirements.*
- *Directive PNG009 - Public Notice Requirements.*
- *Directive PNG010 - Well Logging Requirements.*
- *Directive PNG011 - Allowable Rate of Production-Gas Wells.*
- *Directive PNG012 - Allowable Rate of Production-Oil Wells.*
- *Directive PNG013 - Well Data Submission Requirements.*
- *Directive PNG014 - Incident Reporting Requirements.*
- *Directive PNG015 - Well Abandonment Requirements.*
- *Directive PNG016 - Acknowledgement of Reclamation Requirements.*
- *Directive PNG017 - Measurement Requirements for Oil and Gas Operations.*
- *Directive PNG018 - Detailed Site Assessment Requirements.*
- *Directive PNG025 - Financial Security Requirements.*
- *Directive PNG030 - Fees for Oil and Gas Data and Related Services.*
- *Directive PNG031 - Site Specific Liability Assessment.*
- *Directive PNG032 - Volumetric, Valuation and Infrastructure Reporting in Petrinex.*
- *Directive PNG033 - Phase II Environmental Site Assessment.*
- *Directive PNG034 - Saskatchewan Pipelines Code.*
- *Directive PNG036 - Venting and Flaring Requirements.*
- *Directive PNG045 - Acknowledgment of Reclamation for Sodium Chloride Impacted Sites.*
- *Directive PNG048 - Hydraulic Fracturing Requirements.*

- *Directive PNG075 - Enhanced Valuation Audit Program.*
- *Directive PNG076 - Enhanced Production Audit Program.*
- *Directive S-01 Saskatchewan Upstream Petroleum Industry Storage Standards.*
- *Directive S-20 Saskatchewan Upstream Flaring and Incineration Requirements.*

The above directives can be found here: <https://publications.saskatchewan.ca/#/categories/5568>.

Applicable legislation overseen by the Ministry of Environment includes:

- *Environmental Management and Protection Act, 2010.*
- *The Environmental Assessment Act.*
- *The Forest Resources Management Act.*
- *The Provincial Lands Act, 2017.*
- *The Crown Resource Land Regulations, 2019.*

The Ministry of Environment also administers the:

- Environmental Evaluation Checklist for Oil and Gas Development Projects on Private Land in Saskatchewan.
- Environmental Evaluation Checklist for PNG Linear Projects on Private Land in Saskatchewan.
- Environmental Evaluation Checklist for Seismic Operations on Private Land in Saskatchewan.
- Environmental Review Guidelines for Oil and Gas Activities.
- Guidelines for the Preparation of As-Built Reports.
- Mineral Exploration Guidelines for Saskatchewan.

The above policies and guidelines can be found here:

<https://publications.saskatchewan.ca/#/categories/78>

Applicable legislation overseen by the Ministry of Agriculture includes:

- *The Provincial Lands Act, 2016.*
- *The Provincial Lands (Agriculture) Regulations.*

The Ministry of Agriculture also administers the:

- Oil and Gas Development Policy.
- Oil and Gas Surface Fee Schedule Amendment.
- Restoration of Saskatchewan's Agricultural Crown Rangelands.
- Seismic Activity Policy.

The above policies and guidelines can be found here:

<https://www.saskatchewan.ca/business/agriculture-natural-resources-and-industry/agribusiness-farmers-and-ranchers/crown-lands/agricultural-crown-land/oil-and-gas-development-surface-leasing/surface-leasing-policies>.