

Notice of Consultation: Amendments to *The Mineral Resources Act, 1985*

Background

The Ministry of Energy and Resources (ER, the Ministry) is consulting with stakeholders on proposed changes to *The Mineral Resources Act, 1985* (MRA). The proposed amendments aim to support investment in carbon dioxide (CO₂) sequestration projects, to facilitate surface access for seismic exploration in the context of mine planning and mine-related emergencies and to support ER's legislative modernization efforts involving *The Oil and Gas Conservation Act*.

The Process

Stakeholders are invited to review and provide written comments on the proposed amendments outlined in this document by **June 26, 2026**. The Ministry will review this feedback, which may also be considered by the Legislature of Saskatchewan at a future date.

Summary of Proposed Changes

Key proposed amendments to the MRA aim to address two inter-related policy matters to promote investment in CO₂ sequestration projects in Saskatchewan. These include:

- Clarification of Crown ownership of all subsurface pore spaces in the province; and
- Creation of a long-term liability (LTL) management framework for CO₂ sequestration projects, including a pathway for Crown assumption of LTL for sequestered CO₂ and a Carbon Dioxide Sequestration Legacy Fund to support long-term monitoring and maintenance.

Also, the proposed amendments aim to facilitate surface access for seismic exploration without prior consent by the landowner in limited and defined circumstances. This will involve creating authority for the minister to order seismic exploration on any lands to support planning and emergency response activities in relation to an active mining operation.

As well, the proposed amendments will incorporate into the MRA provisions specific to oil and gas conservation in *The Oil and Gas Conservation Act* (OGCA), including matters involving the pooling and unitization of oil and gas rights. This supports ER's efforts to modernize and update the OGCA and to promote alignment with the MRA on resource management and conservation matters.

The proposed amendments build on the MRA's core mandates to enable the Government of Saskatchewan to govern the exploration, development, management and conservation of all mineral resources within the province and the ownership and use of subsurface rights to support mineral development and related activities.

Review of Proposed Legislative Changes

ER is seeking written comments in relation to the proposed amendments. Further details on the proposed amendments are attached to this notice in Appendices A, B and C.

Please direct any written comments or questions about the proposed changes to the ER Service Desk at er.servicedesk@gov.sk.ca.

The deadline for submitting written comments is **June 26, 2026**.

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Carbon Capture, Utilization and Storage Projects: Developmental Supports

Carbon capture, utilization and storage (CCUS) is a term that encompasses processes that leverage technologies to capture carbon dioxide (CO₂) from emissions sources, either before the CO₂ enters Earth's atmosphere or to remove what is already there. The captured CO₂ can either be injected for permanent 'storage' (sequestration) or 'utilized' to add value to another process – an example of this is enhanced oil recovery (EOR). In Saskatchewan, CO₂ has been used for EOR in oil fields near Weyburn since 2000. Also, the Aquistore project near Estevan has been sequestering CO₂ from SaskPower's Boundary Dam Unit 3 since 2015. More recently, the Ministry of Energy and Resources (ER) has approved two new CO₂ sequestration projects in the province that are currently in the early stages of development.

With the recent announcement that EOR projects will be eligible under the federal CCUS Investment Tax Credit at a reduced rate, there is increased interest in CO₂ capture and storage projects to manage CO₂ flow to EOR projects that will drive incremental oil production in Saskatchewan. This interest in EOR storage is in addition to projects with the sole purpose of long-term CO₂ storage. Proponents have been seeking clarity on certain policy and regulatory matters to support investment decisions and to facilitate orderly development with respect to CO₂ storage projects. These include:

1. Crown ownership of subsurface pore spaces; and
2. Crown long-term liability framework for sequestered CO₂.

These items are addressed in the following pages.

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1. Ownership of subsurface pore spaces

Background:

Subsurface spaces – often called ‘pore spaces’ – are the voids within the rock and soil beneath the surface of the earth. These spaces can be used to store substances, either temporarily (e.g., natural gas) or permanently (e.g., CO₂).

Saskatchewan does not currently have comprehensive statutory provisions that clearly define pore space ownership. Section 27.2 of *The Crown Minerals Act* establishes Crown ownership of pore space occupied or formerly occupied by a Crown mineral. However, pore space associated with freehold mineral interests – or where no mineral interest exists – is not clearly addressed in legislation. In these cases, proponents must negotiate access without clear statutory authority. This lack of legislative clarity creates uncertainty regarding who is authorized to grant rights for the use of subsurface pore space.

In contrast, Alberta and Manitoba have legislated Crown ownership of all pore space, and British Columbia grants the Crown authority to manage and grant rights for CO₂ storage without explicitly addressing ownership. These provinces treat pore space as a public resource managed by government.

Saskatchewan seeks to clarify pore space ownership to enhance regulatory certainty, align with western jurisdictions, and support the orderly, efficient, and responsible use of pore space, including CO₂ sequestration activities.

Proposed Legislative Amendments:

A. Clarifying Ownership of Pore Space

The proposed legislation would establish subsurface pore space as a public resource managed by the Crown. This approach is intended to ensure that pore space is used responsibly and avoids conflicting or fragmented ownership.

Key elements of the proposed amendment include:

- All pore space in Saskatchewan is vested in the Crown;
- No historic or future surface or mineral grant conveys ownership of pore space;
- Pore space ownership is deemed to have always been reserved for the Crown;
- Confirming that mineral and storage rights holders may use pore space as necessary to exercise their respective rights, without requiring permission from other rights holders;
- Confirmation that the amendments do not apply to federal lands; and
- Clarification that no compensation or expropriation claims arise as a result of these amendments.

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Questions for Consideration

1. *What are the implications of the proposed Crown ownership of pore space from your perspective?*

B. Access to Pore Space for CO₂ Sequestration

Through the proposed legislation, the Minister would be authorized to issue Crown dispositions for the use of pore space for CO₂ sequestration. The proposed amendments include:

- Existing private agreements would continue until they expire.
- Proponents would be required to demonstrate that their projects will not interfere with existing or potential oil, gas, or mineral development.
- The ministry will publish a notice of CO₂ sequestration disposition application on the website before the disposition is issued.
- Once issued, holders of CO₂ sequestration dispositions must apply best practices to avoid interference with existing or future oil, gas, and mineral development, as well as other injection, storage, or disposal operations.

Question for Consideration

1. *Are the proposed measures – such as geological assessments and public notice processes – sufficient to prioritize and protect mineral development? If not, what additional measures should be considered?*

C. Additional Discussion Area – Competing Uses of Pore Space

Pore spaces have traditionally been used by the oil and gas and mining industries to permanently or temporarily store substances associated with the recovery of a mineral or oil and gas. Recently, pore spaces have also been targeted for CO₂ sequestration. As a result, competing uses and increasing demand for pore space are becoming more common, raising questions about how these uses should be managed under a Crown ownership framework.

Question for Consideration

1. *Under the Crown ownership model, what is the best way for ER to manage competing uses of pore space – such as carbon sequestration rights, waste disposal rights, and temporary storage rights (e.g. gas storage)?*

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2. Crown Long-Term Liability for Sequestered CO₂

2.1 Pathway for Crown Assumption of Long-Term Liability for Sequestered CO₂

Background:

The Government of Saskatchewan is proposing to establish a legislative pathway for the transfer of Long-Term Liability (LTL) for CO₂ sequestration projects to the Crown. The proposed framework would be applicable exclusively to CO₂ sequestration projects injecting into deep saline aquifers and would not apply to projects utilizing hydrocarbon reservoirs for CO₂ sequestration or CO₂ EOR projects. Liability for CO₂ sequestration projects is typically categorized in three ways:

1. Administrative Liability: refers to liability for the physical system, or CO₂ sequestration project infrastructure, including wellbores and pipelines.
2. Civil Liability: refers to liability for damages to a third party, including surface impacts of a CO₂ leak or subsurface impacts resulting from unintended CO₂ plume migrations.
3. Credit Liability: refers to the financial responsibility for carbon credits issued resulting from a CO₂ reversal.¹

During the operational life of a CO₂ sequestration project, all administrative and civil liabilities lay with the project proponent. The LTL for CO₂ sequestration projects refers to the ongoing responsibility (legal and financial) to monitor permanently injected CO₂, to address potential issues with the site infrastructure, and to address third-party damages that may arise after injection has stopped. Pursuant to a regulatory authorization for such projects issued by ER, these liabilities remain with the project proponent in perpetuity.

The indefinite nature of LTL creates uncertainty and has implications for the feasibility of CO₂ sequestration projects. It is difficult for industry to assess the full extent of risk and exposure of the project, impacting already challenging economics. Also, an inability to obtain commercial insurance products for LTL given newness of the industry increases project costs.

The need to oversee a CO₂ sequestration site after it has been abandoned will likely extend beyond the average lifespan of a corporate entity. Therefore, it is likely that the Crown will eventually take on LTL for CO₂ storage projects. Several other provinces in Canada, including

¹ Credit liabilities tied to Saskatchewan's Output-Based Performance Standards (OBPS) program are subject to the Ministry of Environment's *Carbon Capture, Utilization and Storage Credit Standard* (Credit Standard). Credit liabilities rest with the project developer as defined in the Credit Standard. The Credit Standard limits credit liability resulting from a reversal during the operational life of a project to the previous three years of CO₂ injected. The Credit Standard also sets out that, following a ten-year monitoring period after injection ends, holdbacks will be returned, and the project will no longer be subject to the Credit Standard.

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Alberta, Manitoba and Ontario have, or are considering implementing a framework by which the LTL for CO₂ sequestration projects may transfer to the Crown if certain criteria are met.

Establishing a legislative mechanism for assumption of LTL for CO₂ sequestration projects by the Government of Saskatchewan would ensure a lasting responsible party and would promote responsible stewardship of, and public trust in CO₂ sequestration projects in the province. The Crown's assumption of LTL for CO₂ sequestration projects would only include the administrative and civil liabilities and be supported by a full-lifecycle approach to project oversight to minimize risks to the Crown at the time of transfer. Key elements of a Crown LTL framework include:

- Rigorous selection criteria and processes for CO₂ sequestration sites
- Initial and ongoing assessment of a project proponent's technical and financial capabilities
- Robust regulatory approval processes for CO₂ sequestration projects
- Proponent-led monitoring, measurement and verification requirements
- A closure period after CO₂ injection ceases with well-defined criteria governing the transfer of LTL to the Crown
- The creation of a fund, capitalized by fees paid by project proponents over the operational life of the project, to cover the Crown's LTL obligations toward a CO₂ sequestration project for which it has assumed responsibility (see [section 2.2](#) below)

Proposed Legislative Amendments:

Proposed amendments to the MRA would establish a pathway to allow for the structured and conditional transfer of LTL for CO₂ storage projects to the Crown. The Crown's acceptance of LTL would be **optional** and based on the proponent having met rigorous transfer criteria, including the achievement of full regulatory closure from ER for the project. Transfer criteria may include the proponent demonstrating that the CO₂ plume is stable and is behaving as anticipated.

If the Crown assumes LTL for a CO₂ sequestration project, key elements of the legislative framework for the pathway include:

- Clarity on Crown responsibility for sequestered CO₂, including ongoing monitoring and maintenance, and responsibility for any wells and facilities associated with the project;
- Ability for the Crown to pursue proponents that have acted negligently or fraudulently toward their obligations during the project's operational life; and
- Scope for Crown to assume ownership of a CO₂ project, including the associated wells and facilities in the event it becomes orphaned before full regulatory closure for the project has been achieved.

Questions for Consideration:

1. *How will this proposed legislative amendment impact you?*

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2. *Is there anything else relating to this pathway you wish to add?*
3. *What indicators should be considered when evaluating site suitability for transfer of LTL to the Crown?*
4. *How does this proposed approach compare to Alberta or other jurisdictions with LTL frameworks for CO₂ sequestration projects?*
5. *What would be a reasonable minimum period of time to monitor the CO₂ plume in the closure period, which is after injection stops and before full regulatory closure has been achieved?*
6. *Are there features from other jurisdictions' frameworks that Saskatchewan should consider adopting or avoiding?*

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2.2 Carbon Dioxide Sequestration Legacy Fund (CO₂SLF)

Background:

A proponent of a CO₂ sequestration project is responsible for all costs associated with project operations, including maintenance and closure costs associated with the storage project infrastructure, the post-injection monitoring of the sequestered CO₂ and for any third-party damages that may result before full regulatory closure has been achieved.

If the Crown assumes the administrative and civil LTL for a CO₂ sequestration project, the Crown will take on the legal and financial responsibility for the sequestered CO₂. Similarly, Crown assumption of ownership of orphaned CO₂ sequestration project and any related wells and facilities will involve operational and closure-related expenses. A key aspect of the proposed LTL framework involves ensuring that industry pays for any ongoing obligations assumed by the Crown rather than risking taxpayer exposure.

Currently, CO₂ sequestration projects are authorized and governed by *The Oil and Gas Conservation Act (OGCA)*, which deals primarily with oil and gas extraction. As these projects have no oil and gas related activities, regulatory gaps exist within the project lifecycle. The OGCA does allow the Minister to request financial security for the proponent's end-of-life obligations toward the licensed wells and facilities associated with a CO₂ sequestration project. However, no legislative authority exists to require financial assurances to ensure that the project proponent's operational obligations are fulfilled. Furthermore, the oil and gas orphan fund applies only to oil and gas infrastructure and may not be applied to orphaned CO₂ sites and associated wells and facilities.

Proposed Legislative Amendments:

To assist the Crown in fulfilling LTL obligations it may assume toward sequestered CO₂ and any related infrastructure, amendments to the MRA are proposed to establish the "Carbon Dioxide Sequestration Legacy Fund" (the fund). The primary purposes of the fund would be to provide financing to:

- support the Crown's long-term monitoring of the behavior of sequestered CO₂;
- fulfill any obligations assumed by the Crown relating to ownership of the sequestered CO₂;
- pay for suspension, abandonment, reclamation or remediation costs relating to orphan wells and facilities; and
- administration costs.

The fund would be capitalized by fees paid by project proponents over the operational life of the CO₂ sequestration project. Financial security required and accepted by the Minister under

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the OGCA relating to the associated wells and facilities would also be deposited into the fund if a project is orphaned.

The proposed amendments would also include detailed regulation-making authorities to support the administration of the fund, including the purposes for which the minister may use money from the fund.

As well, the proposed amendments would enable the minister to request information on a proponent's financial capacity to operate a CO₂ sequestration project and to require financial assurances in relation to project obligations.

Questions for Consideration:

- 1. How will this proposed legislative amendment impact you?*
- 2. For the purposes of fee calculations, is there a preference for an independent third-party involved or an internally administered government process?*
- 3. Should the fee paid into the fund be risk-based on an individual project basis or more simplified by geographic area, sequestration depth or size of the project? Should minimum or maximum fund contribution thresholds be considered?*
- 4. How should fee calculations be distributed amongst existing and future projects?*
- 5. As outlined in the proposed legislative amendments, do the allowable uses of the fund encompass what would be needed for the projects?*
- 6. What other important aspects of the fund design should be considered?*
- 7. At what stage(s) of the project lifecycle (e.g. tenure issuance, licensing/application or during operations) should financial information be requested to assess financial capacity? Would requesting this information at earlier stages (such as licensing or tenure) create barriers to investment or business activities, and how can timing be optimized to balance due diligence with project viability?*

APPENDIX B

Seismic Exploration and Surface Access: Mine-Related Planning and Emergencies

Background:

Seismic exploration involves the use of seismic waves artificially generated at the surface. Sound waves are generated using small charges or vibroseis equipment. Vibroseis uses trucks to generate controlled low frequency vibrations. While seismic exploration is widely used in mineral exploration, it also plays a critical role in mine planning by helping map subsurface rock layers and identify potential hazard zones. This technique is particularly valuable for detecting challenging geological conditions in proposed mining areas that may lead to water inflow and mine flooding

Seismic exploration is commonly used for mineral exploration purposes, but it is also a key element of mine planning for mapping subsurface stratigraphy and determining areas of risk. Seismic exploration is an important tool for identifying unfavourable geology in proposed new mining areas such as collapse structures that could result in water inflow and mine flooding.

In Saskatchewan, seismic exploration is governed by *The Seismic Exploration Regulations, 1999* (SER) established under the MRA. Pursuant to section 30 of the SER, the holder of a seismic exploration licence may only enter upon lands to conduct seismic exploration with the prior consent of the owner and any occupant of those lands. This consent requirement does not apply to road allowances except for road allowances within First Nations reserve lands.

In the context of mine operations, industry has highlighted the importance of being able to conduct seismic exploration in precise locations to accurately map subsurface anomalies. Similarly, industry has emphasized the necessity of timely surface access for seismic exploration to properly characterize a mine-threatening water inflow that could have serious negative implications for mine safety and integrity and for mineral resources.

Proposed Legislative Amendments:

Amendments to the MRA are proposed to enable the minister to authorize, by order, seismic exploration on any lands without prior consent of the owner of those lands **if** it is required to:

1. assess a mineral resource for mine planning purposes; or
2. address an imminent threat to mine safety or property or to a mineral resource.

Both situations would involve an active mining operation in relation to a mineral lease. Surface access pursuant to an order issued for situation #1 would be subject to prior notice to landowners and ministerial review of feedback prior to entry. Surface access pursuant to an order issued for situation #2 would be subject to prior landowner notification where possible.

Further, the amendments will establish that a person authorized by an order to enter upon land for the abovementioned purposes shall compensate the landowner for direct expenses and for

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damage to the landowner's land or property arising from that entry. Also, the general rule for landowner consent prior to seismic exploration will be moved from the SER into the MRA.

Questions for Consideration:

- 1. How will this proposed legislative amendment impact you?*
- 2. Procedural elements for implementing such authorities would be addressed through future regulation changes. Those regulatory changes would be consulted on in a subsequent engagement. In the meantime, are there any considerations that should be reflected in the proposed legislative changes?*

APPENDIX C

Incorporation of Resource Conservation Provisions from *The Oil and Gas Conservation Act*

Background:

As outlined at in the [Notice of Consultation: Proposed Legislative Changes – The Oil and Gas Conservation Act](#), the Ministry is proposing to modernize its legislative framework to ensure clarity, applicability and adequacy for well-based oil and gas and non-oil and gas production and activities and to promote flexibility to respond to changes in Saskatchewan’s mineral resource sector to address emerging industry and regulatory needs. To further these objectives, ER is proposing a revised legislative model organized along operational and resource conservation lines.

Currently, *The Oil and Gas Conservation Act* (OGCA) has authorities to regulate the operations of wells engaged in the production of oil and gas and associated mineral resources, and these authorities have been extended to well-based development of lithium, hydrogen, helium and solution-mined potash and geothermal resources. Also, the OGCA contains broad powers to regulate the conservation of oil and gas resources, including oil and gas pools, drainage areas and units for wells, pooling of oil and gas interests and the equitable allocation of production through statutory unitization.

These resource conservation provisions are oil and gas-specific do not apply to non-oil and gas resources. Also, they do not align with proposed new legislation to replace the OGCA that will be commodity-agnostic, infrastructure-based and operations focused. However, in keeping with the Ministry’s mandate to promote the responsible development and regulation of oil and gas and emerging mineral resources, it is desirable to confirm and clarify regulatory authorities for operations and for resource management and conservation in legislation to support industry certainty and effective regulation both now and in the future.

The OGCA’s resource conservation provisions overlap with the more general mandate of the MRA, which establishes the Saskatchewan Government’s role as a legislator regarding all non-renewable resource development, management and conservation in the province.

Proposed Legislative Amendments:

Proposed amendments to the MRA would include moving sections from the OGCA relating to the management and conservation of oil and gas resources into a new, dedicated Part of the MRA. These sections relate to:

- General ministerial powers regarding limitation and allocation of oil and gas production;
- Order-making authorities to establish oil and gas pools and spacing areas, drainage units and drainage areas and set-back distances and target areas and allowable production rates for wells;
- Minister’s orders for the pooling of oil and gas rights in drainage areas and units; and

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- Requirements for unit operation, including statutory unitization of oil and gas rights.

These provisions will accompany the more general regulation-making authorities in section 9 of the MRA to govern the exploration, development, production, management and conservation of mineral resources in Saskatchewan. In sum, this proposed approach will:

- recognize the continued importance of oil and gas resource management and conservation to ER's regulatory mandate;
- leverage existing statutory authorities by putting the focus on existing subject-specific legislation that already applies to all mineral resources in the province; and
- allow ER to regulate the production and conservation of non-oil and gas resources and subsurface activities through standardized rules in the future when necessary.

Questions for Consideration:

1. *Would the proposed legislative model organized along operational and resource conservation lines provide clarity? Why or why not?*
2. *Are there elements in the OGCA's existing requirements and rule-making authorities relating to oil and gas conservation (sections 17, 21-22.1, 27 and 30-44) that require review? If so, please provide your suggestions.*