

Notice of Consultation

Proposed Legislative Changes: The Oil and Gas Conservation Act

Background

The Ministry of Energy and Resources (ER, the Ministry) is consulting with stakeholders on proposed legislative changes involving *The Oil and Gas Conservation Act* (OGCA).

The OGCA has governed the licensing, operation, and end-of-life management of oil and gas wells and facilities in Saskatchewan for more than 70 years. While the OGCA has been amended over time, its structure and primary focus on oil and gas no longer fully reflect the evolution of Saskatchewan's mineral resource sector.

ER is proposing to repeal and replace the OGCA with new, modernized legislation focused on the operations of wells and facilities involved in the production of **all mineral resources**, including oil and gas, lithium, helium, hydrogen, solution-mined potash, geothermal energy and other emerging commodities. The proposed approach is infrastructure-based, operations-focused and commodity-agnostic.

The Process

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

Overview of the Proposed Legislative Approach

Rather than amending the OGCA incrementally, ER is proposing a **repeal and replacement** model. The proposed new legislation, entitled *The Mineral Resources Wells and Facilities Operations Act* would modernize ER's regulatory framework governing wells and facilities while maintaining continuity with existing regulatory practices where appropriate.

The proposed legislative approach is intended to streamline structure and to clarify authorities. Core regulatory oversight of well and facility design, construction, operation, abandonment, and reclamation would continue. Existing licensing, liability management, and enforcement concepts would also be carried forward. As well, key modernization elements would include a statutory foundation for a well and facility licence registry, potential new administrative processes and alignment with existing resource conservation legislation.

Summary of Proposed Changes

The proposed changes fall into five main categories, summarized at a high level below:



1. Legislative Focus and Applicability to Non-Oil and Gas Resources

- Adoption of an infrastructure-based, commodity-agnostic framework focused on the operation of wells and facilities rather than on oil and gas resource conservation.
- Clear support for the regulation of all wells and facilities associated with oil and gas and emerging non-oil and gas resources and activities, including lithium, helium and hydrogen and geothermal and carbon dioxide storage projects.
- Migration of OGCA's oil and gas resource conservation provisions to *The Mineral Resources Act, 1985*, which governs the conservation and management of all mineral resources in Saskatchewan.

2. Legislative Modernization and Structure

- Repeal of the existing OGCA and the enactment of a new statute organized and drafted in accordance with modern legislative standards.
- Removal of obsolete or redundant provisions, consolidation of overlapping authorities and logically named and organized Parts.

3. Regulatory Instruments: Regulations, Minister's Orders and Directives

- Clarification of the respective roles of regulations, Minister's Orders and directives within ER's current regulatory model for well and facility operations.
- Establishment of directives in legislation as a distinct regulatory instrument to address detailed technical and operational requirements.
- Continued use of regulations for matters having broad industry application or financial implications, such as licensing, fees, penalties and emissions and liability management.

4. Licensing, Registries, and Administrative Processes

- Legislative authority to designate an electronic registry for well and facility licences.
- New ministerial ability to exempt assessment of, and to waive obligations to pay the administrative levy for defunct companies.
- New requirement to register interests respecting the locations of wells on the title to lands upon which they are situated.

5. Repeal of the Oil and Gas Conservation Board – Amendments to *The Pipelines Act, 1998*

- Removal of provisions relating to the Oil and Gas Conservation Board and replacement with clear ministerial authority to appoint experts and advisory committees to investigate any matter relating to the minister's responsibilities under the legislation.
 - Consequential amendments to *The Pipelines Act, 1998*.
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Review of Proposed Legislative Changes

Stakeholders are encouraged to review the Appendices to this Notice for more information on the proposed legislative changes.

Written comments, questions, or submissions may be directed to:

ER Service Desk

Email: er.servicedesk@gov.sk.ca

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

APPENDIX A

Legislative Focus and Applicability to Non-Oil and Gas Resources

Overview

The OGCA was introduced in 1952 to address the needs of an emerging oil and gas industry in Saskatchewan. As indicated in its title, the OGCA's original purposes focused on the regulation of industry operations through oil and gas conservation principles, including the protection of correlative rights, promoting good production practices and preventing wastage of the resource.

However, since then the OGCA has been amended many times to address evolving regulatory needs. In the past 40 years, the OGCA has expanded beyond oil and gas conservation to regulate the full lifecycle of well and facility operations, including liability management, greenhouse gas emissions, inspection and enforcement, and site closure.

Over the years, the OGCA's regulatory authorities have also been applied to wells and facilities relating to non-oil and gas resources and activities. Historically, key non-oil and gas resources produced by wells have included solution-mined potash. More recently, OGCA-licensed wells have been used to explore for and produce helium, lithium and hydrogen and to support carbon storage and geothermal projects.

To promote clarity in legislative purpose, the OGCA will be repealed and replaced with new legislation that is infrastructure based, operations-focused and commodity agnostic. The proposed legislation, entitled *The Mineral Resources Wells and Facilities Operations Act* will focus on regulating the operations of wells and facilities engaged in mineral resource development and associated activities from "cradle to grave", including the licensing, design, construction, operation, abandonment and reclamation of wells and facilities and their sites.

Under this approach:

- The proposed legislation would support rules common to all wells and facilities while allowing for flexibility to respond to emerging regulatory needs.
- General and resource/industry-specific requirements could continue to be addressed through regulations and directives.
- Resource conservation provisions, including pooling and unitization of oil and gas interests would be moved to *The Mineral Resources Act, 1985*, which governs the management and conservation of all mineral resources in Saskatchewan. See Saskatchewan.ca for more details.

Questions for Consideration:

1. *Would the proposed infrastructure-based, operations-focused and commodity-agnostic legislative framework adequately support both established and emerging mineral resource industries?*
 2. *Are there non-oil and gas activities that may require distinct treatment in regulations or directives?*
 3. *Are there clarity issues that ER should address when transitioning to this legislative model?*
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APPENDIX B

Legislative Modernization and Structure

Overview

The OGCA follows the same general structure as the original 1952 legislation. New sections have been added while many others have been repealed over the years, resulting in irregularities in section numbering and structure.

To support the focused legislative approach outlined in Appendix A, the proposed legislation will reflect modern drafting standards and streamlined organization.

Key elements of this proposed approach include:

- Restructuring the legislation into clearly and logically arranged and named Parts;
- Removing obsolete, redundant, or duplicative provisions; and
- Improving readability for regulated parties and the public.

The structure of the proposed legislation is outlined below:

- Part 1: Preliminary Matters
- Part 2: Administration
- Part 3: Licences
- Part 4: Electronic Licence Registry
- Part 5: Well and Facility Operations: Regulations and Orders
- Part 6: Volumetric and Valuation Registry
- Part 7: Greenhouse Gas Emissions
- Part 8: Oil and Gas Orphan Fund
- Part 9: Enforcement, Inspection and Investigation
- Part 10: Prohibitions, Offences and Penalties
- Part 11: General
- Part 12: Repeals and Coming Into Force

Questions for Consideration:

1. *Are there risks associated with restructuring the legislation that should be mitigated through transitional provisions?*
 2. *Are there areas of the OGCA where additional clarity would support certainty for regulated parties?*
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APPENDIX C

Regulatory Instruments: Regulations, Orders, and Directives

Overview

To regulate the range of operations of wells and facilities engaged in the production of oil and gas and other mineral resources, ER currently relies on a combination of:

- Cabinet-approved regulations;
- Minister's Orders; and
- Directives

The Ministry's current model for each of these regulatory instruments is as follows:

- Regulations address matters of general industry application, including licensing and licensee obligations and administrative issues, fees, levies and penalties, greenhouse gas emissions and financial security and site closure requirements.
- Minister's Orders authorize technical and operational rules for industry on a general or operator-specific basis and render decisions on compliance-related matters.
- Directives, which are approved by Minister's Order, establish sets of subject-specific technical and operational requirements for reference by industry and ER.

While the OGCA contains broad rule-making powers, the distinction between these regulatory instruments has become less clear in legislation over time. There are many instances of overlap between the OGCA's regulation- and order-making authorities regarding technical and operational aspects of wells and facilities.

The proposed legislation would:

- Explicitly recognize directives as a distinct regulatory instrument;
- Align regulations with matters of broad industry applicability, financial impact, or legislative significance; and
- Continue the use of Minister's Orders and directives for technical, operational, and site-specific requirements.

Questions for Consideration

1. *Is the proposed distinction between regulations, orders, and directives clear and appropriate?*
2. *Are there safeguards that should be considered to support transparency and accountability?*

APPENDIX D

Licensing, Registries, and Administrative Processes

Overview

Well and Facility Electronic Licence Registry

Since 2015, ER has issued and administered well and facility licences through the Integrated Resource Information System (IRIS). While ER and industry rely on IRIS for licensing, the OGCA does not currently provide explicit legislative authority for an electronic registry for well and facility licences. By contrast, *The Pipelines Act, 1998* (PA) was amended in 2017 to create an electronic registry for pipeline licences in IRIS.

To promote consistency with the PA, the proposed legislation will create a statutory basis for IRIS as a formal registry rather than an issuer of well and facility licences. All well and facility licences and supporting documentation now within IRIS will be continued as the full legal record, and the minister will be authorized to establish requirements relating to the operating of the registry in regulations.

Administrative Levy – Assessments and Waivers of Invoices

The proposed legislation will enable the minister to waive the obligation of a licensee to pay the administrative levy and to exclude the levy from being assessed in situations where ER has determined that the licensee is defunct. This will prevent the accumulation of bad debt for levies that will never be paid and reduce the administrative burden to ER.

Registration of Interests: Well Locations

The proposed legislation will include a new requirement for licensees to register an interest respecting the location of any new wells in the Land Titles Registry on the title to the land where the well is situated. The interest would be registered within 30 days of the spud date of a well and would not be discharged from the title except with the permission of the Minister. This will facilitate the disclosure of potential liabilities to a purchaser of lands.

Questions for Consideration:

1. *Does formalizing the electronic licence registry for wells and facilities raise any operational or legal concerns?*
 2. *What are your thoughts about the requirement for registration of interests on land titles for new wells?*
 3. *Are there other administrative processes that could be clarified or streamlined?*
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APPENDIX E

Repeal of the Oil and Gas Conservation Board – Amendments to *The Pipelines Act, 1998*

Overview

To promote legislative streamlining and modernization, the proposed legislation will not carry forward sections 7 to 7.8 of the OGCA, which relate to the Oil and Gas Conservation Board (the Board). Instead, the proposed legislation will feature clarified ministerial powers to appoint third-party experts and advisory committees to inquire into any issue relating to the minister's jurisdiction under the legislation.

The OGCA establishes the Board as a separate body to which the minister may refer matters arising under the OGCA for further investigation. The Board was used extensively until the mid-1970s mainly to hold hearings and to advise the minister on the formation of statutory oil and gas units. However, despite its name and its court-like powers of inquiry and investigation, the Board does not make decisions and is advisory only. The Board has had no sitting members for more than three decades, and as ER has accrued much expertise over the years in oil and gas resource conservation and stakeholder engagement practices, the OGCA was amended in 2019 to remove the Board from involvement in pooling and unitization matters. As a result, the Board is no longer deemed necessary.

Provision in the proposed legislation for the minister to engage third-party experts and to appoint advisory committees will clarify ministerial responsibility for the regulation of oil and gas-related matters and will also allow for inquiry into issues relating to non-oil and gas resources and activities as the need arises. Furthermore, details relating to hearings or other inquiry-related requirements may be added to regulations when necessary.

Corresponding updates will be required to *The Pipelines Act, 1998* to eliminate references to the Board in that legislation in the context of pipeline licensing and common carrier applications and to align with the proposed legislation's provision for ministerial engagement of third-party experts and advisory committees. Also, updates to the PA will include streamlining certain provisions to enhance clarity and to respect proper ministerial authority.

Question for Consideration:

1. *Does removing the enabling provisions for the Board and replacing them with general authorities for the Minister to appoint third party experts and advisory committees to provide advice on matters as needed raise any questions or concerns?*