Annual Report

2025-26

Oil and Gas Regulatory Cost Recovery Levy
Ministry of Energy and Resources

saskatchewan.ca

Saskatchewan

Table of Contents

Purpose of the Annual Report

The *Oil and Gas Regulatory Cost Recovery Levy Annual Report* gives an overview of how Saskatchewan's regulatory system is funded and how those funds are used. It highlights key priorities, activities, and performance outcomes over the past year across the Ministry of Energy and Resources (ER), the Ministry of Agriculture (AG), and the Ministry of Environment (ENV), to give a clear picture of how regulatory efforts translate into action. A detailed financial breakdown can be found on page 17.

The Administrative Levy sustains this work by funding 90 per cent of oil and gas regulatory activities across ER, ENV and AG. It enables a coordinated system that supports responsible resource development, protects the public interest, and reinforces confidence in Saskatchewan's regulatory framework. Those regulatory activities include:

- Licensing of wells, facilities, and pipelines.
- Inspection of well sites, pipelines, and related facilities.
- Ensuring responsible resource development.
- Abandonment of wells and facilities.
- Geological and drilling data submission management.
- Verifying reporting of oil and gas production.
- Emissions management for upstream oil and gas operations.
- Ensuring proper abandonment of wells, facilities, and pipelines.
- Environmental reviews of proposed wells and facilities.
- Review of seismic plans and permitting.
- Reviewing and approving Crown surface lease applications.
- Arbitration of disputes related to surface rights.
- Providing service desk support to industry by responding to direct inquiries and assisting with the use of the Integrated Resource Information System (IRIS).
- Developing training materials for industry that outline proposed regulatory changes and support the use of enhanced IRIS functionality and other submission requirements.

Regulatory Overview

Over the past year, regulatory focus has continued to emphasize a more results-based and risk-informed approach, with greater attention to outcomes, efficiency, and public confidence. Within this context, the Energy Regulation Division (ERD) plays a central role in the province's primary regulatory authority under *The Oil and Gas Conservation Act* and *The Pipelines Act,* responsible for developing, coordinating, and implementing programs that support responsible resource development.

ERD's work is guided by a set of strategic priorities that emphasize stronger outcomes, improved service delivery, and continuous improvement. Key focus areas include advancing results-based regulatory approaches, strengthening public confidence in the regulatory system, and enhancing client service. ERD continues to improve operational performance and financial management, with the aim of supporting a regulatory framework that is efficient, responsive, and delivers measurable results for Saskatchewan.

These efforts are supported by ENV, whose work complements ERD’s regulatory role through a strong emphasis on environmental stewardship. ENV’s approach prioritizes collaboration in the design and implementation of regulatory tools and processes. This helps ensure that environmental considerations are effectively integrated into project review while supporting timely and informed decision making.

Regulatory Highlights and Accomplishments for 2025-26

- Industry exceeded the Liability Reduction Percentage (LRP) target of 6 per cent. In 2025, oil and natural gas producers spent more than $170 million on abandonment and reclamation activities, significantly exceeding the ministry target of $114 million.
- Completed a five-year program targeting medium and high-risk sites that had not been inspected in more than five years. Sites were selected using a risk-based approach that considered factors such as proximity to water bodies, residences reserve lands, and parks as well as volumetrics, infrastructure age, and other risk indicators.
- Completed a comprehensive review of the seismic program and continued to assess opportunities to modernize licensing, administration, regulatory rules, and alignment with other jurisdictions, where appropriate.
- Developed a new program in 2025-26 that uses inspection and well data to assess risk, support an annual evaluation process, and inform the development of targeted inspection list.
- Released an IRIS Update to improve functionality and enable annual reporting for waste processing facilities.
- Established a procedure to address on-going non-compliances associated with defunct companies, to eliminate recurring penalty issuance and billing administration.
- Developed *Guideline PNG051: Pneumatic Annual Reporting (Guideline PNG051*) to support *Directive PN036: Venting and Flaring Requirements (Directive PNG036)* with new standards for pneumatic devices and annual compliance reporting.
- Launched an updated version of *Directive PNG014: Incident Reporting Requirements (Directive PNG014*) that requires earlier and more detailed incident reporting, to improve impact assessment timelines and strengthen spill mitigation and response.
- Completed amendments to *Directive PNG016: Acknowledgement of Reclamation Requirements (Directive PNG016*) and *Directive PNG018: Detailed Site Assessment Requirements (Directive PNG018)* to improve clarity and streamline processes regarding Acknowledgement of Reclamation (AOR) Requirement submissions.

What We Do

Inspection and Compliance Verification, Enforcement and Emergency Management

ERD is responsible for ensuring that seismic imaging programs, wells, facilities, and pipelines operate safely and in an environmentally responsible manner. This is achieved through a combination of regulatory requirements, ongoing monitoring, and risk-informed inspection activities that focus attention where it matters most.

Staff are critical to this role, conducting inspections, reviewing submitted data, and engaging directly with operators and landowners. This field presence supports early identification of issues, facilitates practical problem-solving, and helps ensure regulatory requirements are clearly understood. When compliance concerns are identified ERD takes appropriate enforcement action, including suspending operations until corrective measures have been completed.

ER staff completed a total of 20,939 inspections in 2025-26, as part of the ongoing oversight of oil and gas infrastructure.

Inspections Completed by Type	Totals
Facility	243
Licensed Pipelines	112
Other (Rigs, well measurement)	116
Well	20,092
Incident	376
Total	20,939

During the year, ERD concluded a five-year inspection initiative targeting high- and medium-risk sites that had not undergone inspection since at least 2021. Over the five-year period, a total of 18,511 well sites were inspected by ER staff across the province.

Building on this foundation, ERD launched new program in 2025-26 that leverages inspection and well data to strengthen risk assessment and inform inspection planning. The program includes an annual evaluation process and targeted inspection list, to help focus resources on the areas of greatest potential risk.

Reportable Incidents by Infrastructure Type - 2025-26		
Source	Number	Percentage
Wells	146	34%
Facilities	82	19%
Pipelines	23	5%

Licensed flowline	160	37%
Other	18	5%
Total	429	100%

Directive PNG014: Incident Reporting Requirements (Directive PNG014) was updated to improve clarity, strengthen oversight and enhance incident reporting expectations. Revisions include defining the "operating area" of a well or facility site to better distinguish incidents within and outside the site boundary and more accurately assess potential impact to surrounding lands. The updates also expand notification requirements for stakeholders who may be affected by an incident including landowners and Indigenous organizations; introduce additional reporting fields in the Integrated Resource Information System (IRIS) to support 5-day incident reporting requirements; and broaden reporting obligations to support long-term management and monitoring of incident sites.

Emissions Management

The Oil and Gas Emissions Management Regulations (OGEMR) continue to be a key regulatory tool for reducing upstream oil and gas emissions. Since their implementation in 2019, the regulations have delivered sustained and measurable emissions reductions, supporting ongoing environmental performance improvements across the sector. Annual emissions reports documenting progress and compliance outcomes are publicly available at: https://www.saskatchewan.ca/business/agriculture-natural-resources-and-industry/oil-and-gas/environmental-protection/oil-and-gas-emissions-management.

In 2025, greenhouse gas emissions from vented and flared gas at upstream oil facilities totaled 2.9 million tonnes (Mt) of carbon dioxide equivalent (CO_2e), representing a 73 per cent reduction from 2015 levels. Emissions from venting activities alone totaled 1.8 Mt CO_2e, down 79 per cent over the same period. OGEMR regulated 39 companies in 2025, accounting for 96 per cent of vented emissions in the province.

Program delivery is supported through a range of regulatory applications that enable ongoing monitoring, compliance, and emissions reduction activities with the following applications administered by ER during the year. Those applications include:

Application Type	2025-26 Totals	Turnaround time (Days)
Emissions Adjustment	2	21.7
Emissions Reduction Plan	9	8.8
Qualifying Conservation Project	1	21.7
Venting/Flaring	26	48.2

The existing equivalency agreement with the Government of Canada has enabled a coordinated approach to methane regulation. With enhanced federal methane requirements scheduled to take effect, a renewed agreement will be required by January 1, 2028, to ensure continued regulatory alignment and oversight. To prepare, ER has assessed the potential impacts of the proposed regulations and determined they could have significant costs and production implications for Saskatchewan's oil and gas sector, highlighting the importance of a balanced and practical approach to implementation. Subsurface storage, especially carbon capture and storage (CCS), continues to be a strategic priority as demand for carbon sequestration and energy storage solutions grows.

Reservoir Management

Ensuring equitable production of oil, gas and associated minerals while preventing resource waste remains a key focus or ERD's regulatory activities. In 2025-26, this work included advancing updates to *Directive PNG011: Allowable Rate of Production – Gas Wells* (Directive PNG011), following industry consultation and finalized in March 2026. The updates modernized the directive and incorporated existing guidance directly into the framework improving clarity, accessibility, and enforceability.

ER continues to benefit from the Internal Review Enhancement (IRE) project implemented in 2024-25. The project enhanced the ministry's application review process by introducing improved search functionality within IRIS, reducing the administrative effort required to manually locate relevant review notes from previous applications. This functionality enables rapid access to large volumes of information, allowing reviews to be completed more efficiently and reducing turnaround times by up to 50 per cent.

Throughout 2025-26, ER conducted a technical assessment to determine whether existing regulatory requirements for gas wells remain appropriate for helium wells in Saskatchewan. Data analytics were used to evaluate helium well performance and inform the assessment. Initial analysis was completed and further work will be conducted to identify potential regulatory improvements and develop an action plan to ensure the regulatory framework effectively supports helium resource development and recovery.

ER also conducted analytical work using production data and related operational parameters to evaluate trends and performance of multi-lateral wells (MLW). The analysis focused primarily on heavy oil plays in the Lloydminster area and light tight oil plays in southeast Saskatchewan. Preliminary findings have identified key production characteristics and emerging performance trends. Analysis will continue as additional data is available to improve data confidence, validate observed trends, and support more definitive conclusions.

ER also undertook targeted engagement with thermal operators to advance its understanding of thermal well integrity management programs. Through technical discussions on program design, implementation, and operational challenges, ER identified opportunities to strengthen thermal well integrity management approaches, improve consistency, and streamline regulatory processes while effectively managing potential risks.

The 2024 Provincial Oil and Gas Reserve Reports were published in October 2025 and are available at https://www.saskatchewan.ca/business/agriculture-natural-resources-and-industry/oil-and-gas/oil-and-gas-news-and-bulletins/oil-and-gas-reserve-summaries. Work also progressed on a multi-year initiative to systematically review oil and gas pools in the province, with the third year of the five-year plan now complete.

To date, 621 pools, representing 66 per cent of the total, have been manually reviewed, with priority given to high-activity pools identified using established selection criteria. The remaining pools are evaluated using automated forecasting tools, enabling focused resources on areas requiring more comprehensive analysis. This approach has improved the depth and efficiency of reserve evaluations while reducing manual processing requirements. It also supports the timely publication of reserve data, providing industry and the public with reliable information for planning, forecasting, and investment decisions.

Liability Management, Closure and Orphan Programming

Liability Management programming is focused on reducing long-term risks and financial obligations associated with well and facility development, including potential costs that could otherwise fall to taxpayers and landowners. Through targeted policies and programs, the ministry promotes the timely abandonment, decommissioning, and reclamation of infrastructure, while ensuring associated liabilities are effectively managed.

Since the introduction of the Inactive Liability Reduction Program (ILRP) in January 2023, well abandonment activity has continued to increase. In 2025, industry exceeded the mandatory closure spending target of $114 M contributing to the successful abandonment of 1,599 licensed wells during the 2025-26 fiscal year. These results demonstrate continue progress in reducing inactive liabilities and advancing resource development in the province,

Reclamation progress also continued with 1014 Acknowledgement of Reclamation (AOR) approvals issued for the 2025-26 fiscal year, an increase from 972 and 843 in the previous two years. These approvals confirm that sites have been restored to conditions closely resembling those that existed prior to well or facility operations.

Liability Management has also completed consultations on proposed amendments to *Directive PNG025: Financial Security Requirements* (Directive PNG025), which will introduce the Risk Adjusted LLR Program. This will further strengthen ER’s liability management framework by helping to ensure that licensees can meet their end-of-life closure obligations.

Oversight of orphaned upstream oil and gas well and facility sites continues through the Saskatchewan Oil and Gas Orphan Fund (SOGOF) Program, which is responsible for the care, custody and closure of orphaned sites. In 2025-26, SOGOF activities included the abandonment of 406 wells, 331 environmental assessments, completion of 326 reclamation projects (surface restoration), and processing of 69 AOR applications as part of the final site closure process. The 2025-26 SOGOF Annual Report can be found at https://www.saskatchewan.ca/government/government-structure/ministries/energy-and-resources.

Licensing

Licensing delivery continues to prioritize efficiency and risk-based oversight, through a review structured framework that differentiates between routine and non-routine applications. Applications that meet established criteria are processed through an expedited, automated approval pathway, while more complex proposals undergo detailed technical review before approval is granted.

Audits of routine licences help verify the accuracy of submitted information, while ongoing analysis of licensing data supports compliance monitoring and identifies emerging trends. These insights inform continuous improvements to the licensing framework, strengthen regulatory oversight, and help focus regulatory efforts on areas requiring further additional attention.

Licence Application Type	2025-26 Totals	Turnaround Times (Days)
Well Licence - Routine	564	0
Well Licence – Non-Routine	968	9.5
Licence Transfer	139	10.9
Facility Licence – Routine	56	0
Facility Licence – Non-Routine	84	5
Pipeline Licence – Routine	406	0
Pipeline Licence – Non-Routine	32	0.3

Data Verification

Ensuring the timely and accurate submission of well, valuation, and volumetric data remains a core regulatory responsibility. Annual validation reviews are essential to maintaining and improving data quality. In 2025-26, ER completed 1,365 comprehensive well data audits and 991 partial audits as well as 237 facility audits to verify the accuracy of industry submitted data. ER also engaged extensively with industry stakeholders to address common issues identified through audits and to promote compliance and support improvements in data reporting practices.

Industry Information Sessions

Industry engagement remained a priority in 2025-26, supported through tri-annual Industry Information Sessions held in the winter, spring, and fall. These sessions provided stakeholders with updates on regulatory priorities, policy developments, and emerging initiatives. Targeted training and engagement were delivered throughout the year to promote industry awareness, support compliance and provide a clear understanding of regulatory requirements. and compliance.

The three sessions provided updates and guidance on a variety of key regulatory initiatives and industry issues, including:

- Updates on subsurface core and chip sample processes, including application submission and core analysis data requirements.
- Updates on drainage area and tract factor determination for horizontal oil wells, including distinctions between Crown and freehold lands, methodologies for complex tract scenarios, and considerations for unit boundary crossings and reduced setback consents.
- Overview of pipeline licensing administrative reviews, including key elements assessed, the rationale for reviews, and common issues identified.
- Facility data gas audit results, providing an overview of associated gas audit findings and key observations.
- Overview of methodology change used to calculate total industry invoicing for the Administrative Levy.
- Technical reviews and regulatory findings from new pipeline applications.
- Findings from the 2024-25 well-data audits. Presentation on reporting oil dispositions at injection/disposal facilities.
- Clarifications to well abandonment reporting processes.
- Overview of Crown debt check and licensee eligibility enforcement regarding new well, facility and pipeline licenses.
- Overview of a new IRIS enhancement for multi-substance pipeline in the pipeline licensing modules.
- 2022 Pipeline Licensing Submission Audit results.
- General update on emissions management.
- Miscellaneous updates from across its business areas, ensuring stakeholders remained informed of ongoing activities, operational developments, and key organizational priorities.

Information Technology Development

Throughout 2025-25 ER implemented several enhancements to IRIS to improve functionality for users and strengthen support for regulatory requirements. Key projects completed throughout the year included:

The Historical Well Log Migration
Completed in January 2026, this project integrated 4TB of historical well log data and metadata into IRIS making the information centrally accessible to both internal and industry users. These additions improve access to high-quality geoscience data, supporting more informed exploration and investment decisions while increasing efficiency in locating and using well log information.

The Pipeline Licensing Multi-Substance Update
Completed on March 27, 2026, this enhancement enables applicants to declare multiple substances transported within a single pipeline in IRIS. The project addressed critical data gap improving ER's ability to accurately assess risk and identify applications requiring additional review. It strengthens regulatory oversight, supports compliance with CSA-Z662 standards, enhances the quality of IRIS data, and contributes to improved pipeline safety.

Incident Reporting Enhancement
Completed on January 23, 2026, this project modernized IRIS to align with *Directive PNG014: Incident Reporting Requirements* (Directive PNG014). This enhancement improves incident lifecycle management, enabling more accurate risk assessment, better environmental oversight, and timely responses to incidents. This strengthens transparency, regulatory compliance, and environmental protection while increasing public confidence in the system.

The Low Productivity and Reactivation Oil Well Program (LPROWP)
Completed December 5, 2025, this project updated IRIS to support new royalty classifications and incentive programs aimed at increasing increase oil recovery from existing wells. This enhancement introduced new application processes for industry, improved incentive tracking and billing, and strengthened reporting and data integration capabilities by encouraging incremental production and extending the productive life of low-productivity wells. The program supports Saskatchewan's production objectives while maximizing the use of existing infrastructure and minimizing environmental impacts.

Surface Rights

Support is provided to the Surface Rights Board of Arbitration (SRBA), an independent quasi-judicial tribunal that serves as a final avenue for resolving disputes when landowners and mineral rights holders are unable to reach an agreement on surface access or compensation. The SRBA hears matters related to surface access for oil and gas operations, including wells, access roads, power lines, battery sites, and flowlines, as well as compensation claims, rental reviews, and claims for off-lease damages.

While most SRBA's hearings involve infrastructure associated with oil and gas development and production, the Board also has jurisdiction over disputes related to potash well sites. In 2025 the SRBA conducted two hearings and issued:

- Right-of-entry orders: 7
- Recovery of compensation orders:12
- Applications for rental reviews received: 17

More information on the SRBA, its activities and an archive of SRBA Orders can be found at https://www.saskatchewan.ca/government/government-structure/boards-commissions-and-agencies/surface-rights-board-of-arbitration.

Ministry of Agriculture

Throughout the year, land management specialists conducted site inspections and reviewed new projects, remediation plans and reclamation proposals. This work included evaluation of surface leases, easements, temporary workspaces, seed mixes, and applications for Acknowledgement of Reclamation.

Several key initiatives were advanced during the year. On May 4, 2026, AG established the Irrigations Resources and Development Unit, which is responsible for administering non-agricultural dispositions on agricultural Crown land, including activities related to irrigation, miscellaneous land use, oil and gas, sand and gravel extraction and seismic exploration. This organizational change does not affect the current process for submitting seismic exploration and oil and gas applications.

AG continued to review seismic exploration applications and administer associated dispositions. The ministry also remained actively involved in the provincial seismic working group, collaborating with ER, ENV and the Water Security Agency to review existing seismic regulations and improve policy alignment across government. Internal discussions regarding potential updates to seismic exploration policy remain ongoing.

In support of oil and gas development, AG reviewed oil and gas applications, and administration of dispositions, issuing 15 new dispositions, amending 47 existing dispositions, and renewing 697 existing dispositions.

Inspection and compliance activities remained a priority throughout the year. AG inspected numerous surface leases, easements, and temporary workspaces, including sites undergoing surface lease abandonments, and processed 108 surrenders. Concurrently, AG continued its review of restoration requirements on agricultural Crown land. The review is expected to clarify internal roles and responsibilities, identify training needs, streamline restoration projects reviews, and improve alignment with other regulatory requirements.

Ministry of Environment

As part of its regulatory oversight of the oil and gas sector, ENV applies a structured, risk-based review framework to assess project applications. This approach ensures that the level of regulatory scrutiny is proportionate to the potential environmental risk of the proposed activity, while supporting project development and the protection of sensitive habitats, species at risk and Crown-administered lands.

Applications are evaluated using standardized environmental screening tools and project proposal requirements designed to identify potential impacts to sensitive species, wetlands, water bodies, slopes, and other environmentally sensitive features. Based on the results of this assessment, applications are categorized as routine, non-routine, or requiring submission of an Oil and Gas Project Proposal.

Routine applications are reviewed by Ecological Management Specialists and may proceed once the notification is received by ENV. Non-routine applications and oil and gas project proposals undergo a more comprehensive review to assess potential environmental impacts and proposed mitigation measures. Proponents must receive approval from ENV before project activities can proceed. During the 2025-26 fiscal year, ENV reviewed a total of 1,371 applications and project proposals. This included 348 routine applications, 801 non-routine applications, 174 oil and gas proposals and 48 seismic projects.

Field assessments are conducted using a risk-based approach, with approximately 10 to 20 per cent of applications requiring site inspections. Inspections are typically focused on projects located in environmentally sensitive areas or those that have the potential to affect species at risk, native habitat, or water resources. These assessments help verify site conditions, evaluate potential environmental impacts, and ensure appropriate mitigation measures are incorporated into project planning and implementation.

During the 2025-26 fiscal year, ENV reviewed 48 seismic applications. The review of these projects supports the responsible exploration and development of oil and gas resources by ensuring environmental considerations are incorporated early in the project planning. Through application reviews and targeted field assessments, ENV helps minimize impacts to sensitive environmental features, supports regulatory compliance and promotes environmentally responsible resource development.

Significant work was completed on the Project Siting Guidelines for Wild Species and Habitat in the South of Divide, which are intended to provide industry with clear direction on project siting that supports biodiversity and responsible resource development. The Project Siting Guidelines were presented to The Saskatchewan Petroleum Industry/Government Environment Committee, the Canadian Association of Geophysical Contractors and helium stakeholders for review and feedback. Although the guidelines were originally expected to be released by the end of the 2025-26 fiscal year, stakeholder input identified the need for minor revisions prior to finalization and publication.

Administrative Levy Calculation – 2025-26

As part of an ongoing review of Administrative Levy accounting, the methodology used to calculate the annual levy was updated to improve predictability and better align levy collections with actual regulatory costs. Beginning in 2025-26, the total industry Administrative Levy is to be calculated based on an average of actual regulatory expenditures from prior years, with 90 per cent of these costs recovered through the levy. This represents a change from the previous methodology, which was based on forecasted expenditures. By relying on actual expenditure, future levies more accurately reflect regulatory costs with underspending resulting in lower levy requirements and cost increases being moderated thought averaging over multiple years.

While the methodology used to determine the overall Administrative Levy has been updated, the underlying structure of the levy remains unchanged. Individual licensee levies continue to be calculated using base administration levy rates for the various classes of wells and pipelines licensed in the province in accordance with section 24.2 of *The Oil and Gas Conservation Regulations*. As a result, the method for allocating levy costs among licensees remains consistent, while the overall levy amount is now more closely aligned with regulatory expenditures.

Each well and pipeline is assessed a base levy rate which is multiplied by an annually established adjustment factor to determine the total levy payable. The adjustment factor is set by an Order-in-Council to recover approximately 90 per cent of regulatory costs and to reflect changes in the Government of Saskatchewan's funding requirements for regulatory oversight. As a result, Administrative Levy rates may vary from year to year based on changes in the provincial budget requirements, the number of licensed wells, production volumes, and total length of licensed pipelines. Administrative Levy invoices are typically issued during the second quarter of the fiscal year.

Annual Adjustment Factor Calculation, 2025-26 (Base Year 2024)				
Class	**Production (Cubic metres/year)**	**Base Rate by Class**	**No. of Well Licences**	**Base Revenues**
1	Service Wells	$100	6,120	$612,000
2	0.1 to 300.0	$100	25,643	$2,564,300
3	300.1 to 600.0	$125	6,819	$852,375
4	600.1 to 1,200.0	$312	5,072	$1,582,464
5	1,200.1 to 2,000	$750	2,236	$1,677,000
6	2,000.1 to 4,000.0	$1,250	1,545	$1,931,250
7	4,000.1 to 6,000.0	$1,625	359	$583,375
8	6,00.1 and above	$1,875	538	$1,008,750

9	Wells other than abandoned	$25	31,603	$790,075	
		TOTAL	79,935	$11,601,589	A

Pipeline Class	Status of Pipeline Segment	Base Rate by Class (per km)	Length kms	Base Revenues	
1	Flowlines	N/A	59,679	N/A	
2	Operating	$40	22,811	$912,449	
3	Discontinued	$20	1,983	$39,657	
		TOTAL	84,473	$952,106	B
		TOTAL BASE AMOUNT (C=A+B)		$12,553,695	C
		2025-26 Industry Invoice (*)		$23,585,777	D
		Annual Adjustment Factor (E=D÷C)		1.878792	E

(*) *As part of an ongoing review of Administrative Levy accounting, changes to the methodology for determining the annual levy were adopted for 2025-26 fiscal year and beyond. For 2025-2026, ER used a three-year average of the actual expenditures for the fiscal years 2021-2022, 2022-2023, and 2023-2024).*

Financial Reporting

Administrative Levy Revenue and Regulatory Costs

Oil And Gas Administrative Levy Revenue and Regulatory Costs ($000s)		2025-26 Estimates	2025-26 Actual
Total Administrative Levy Invoiced			**23,590**
Less: Regulatory Costs Incurred (90%)			26,381
Variance (Excess of Cost Incurred Over Levy)			(2,792)
2025-26 Variance			**(2,792)**
Cumulative Variance			966
Variance Carry Forward			**(1,826)**
Cost Detail			
1	ERD Executive	502	542
2	Field Services	5,345	5,734
3	Liability Management	1,569	1,946
4	Resource Management	2,007	2,489
5	Regulatory Affairs and Analytics	2,575	2,645
6	Surface Rights Arbitration Board	171	167
7	Central Learning Fund	54	35
8	Information Technology and Database Costs	6,411	7,065
9	Central Overhead and Costs	5,894	6,674
TOTAL MINISTRY OF ENERGY AND RESOURCES		**24,529**	**27,295**
OTHER MINISTRIES			
10	Agriculture	631	755
11	Environment	1,046	1,263
TOTAL COSTS: ALL MINISTRIES		**26,206**	**29,313**
ADMINISTRATIVE LEVY 90%		**23,586**	**26,381**

Ref #	Description
1	**Energy Regulation Division Executive** Executive leadership of the Energy Regulation Division and administrative support functions.
2	**Field Services** The 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 leads 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; Saskatchewan Oil and Gas Orphan 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** The branch is responsible for ensuring 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	**Regulatory Affairs and Analytics** Leads and manages activities related to regulatory, legislative, and directive development, consultation practices, Administrative Levy reporting and accountability and red tape and program reviews. The branch coordinates approvals and conducts reviews of well and facility licences and is responsible for well, facility and seismic information collection, monitoring, validation, and publication. It also administers the licensing, sale, and distribution of electronic data.
6	**Surface Rights Board of Arbitration (SRBA)** Administers costs for the SRBA, governed by *The Surface Rights Acquisition and Compensation Act*. The SRBA is a last resort when a landowner or occupant and an oil and 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.
7	**Central Learning Fund** Costs associated with training for ERD employees. Costs typically relate to educational opportunities to support technical knowledge or public administration functions.

8	**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.
9	**Central Overhead and Costs** Allocation of central accommodation, IT, service desk and benefit costs attributable to levy activities; accommodation costs for the Subsurface Geological Laboratory (SGL) where core samples gathered in accordance with regulations are located; amortization costs of capitalized SGL assets and capitalized Field Services branch field assets; and staff development costs not covered under the Central Learning Fund.
10	**Ministry of Agriculture** Salary, expenses and mileage for land management specialists to complete site inspections and to review new project, remediation and reclamation proposals; salary and operating costs for: one director, one land services specialist to prepare dispositions and address disposition holder inquiries, one strategic initiatives analyst involved in policy development and rate reviews and Corporate Services Branch employees involved in billing, collections and accounting associated with active dispositions.
11	**Ministry of Environment** Salaries and operating costs for ecological protection specialists, support staff, and the manager from the Lands Branch responsible for review and approval of oil and gas industry proposals. Time for registry staff from the Corporate Services Branch responsible for producing and completing all land dispositions associated with industry. Oil and 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. Time allocated to the regional wildlife and fisheries biologist to associate with industry, and issues and proposals for Environmental Assessment and Stewardship Branch staff.

Appendix A: Other Applications by Type with Average Turnaround Times

Application Type	2025/26 Submission Count	Turnaround Time (Business Days)
Additional Wellbore	78	4.6
Application for Obligation Deletion	9	7.2
Application for Obligation Extension	561	1.6
Application for Obligation Waiver	553	2.9
Application for Pipeline Licence	438	0
Application for Well Licence	1532	6
Application for Well Repair	319	1.8
Application to Review Confidentiality Period	6	2.2
CO_2 Project Storage	1	36.1
Commingling-Disposal/Other	4	18.7
Commingling-Oil/Gas	30	3.2
Concurrent Production	4	41.7
Decrease in ART	15	1.9
Disposition Surrender	49	1.8
Disposition Transfer	328	2.2
Emissions Adjustment	2	21.7
Emissions Reduction Plan	9	8.
Enhanced Recovery	71	42.3
Extend Inspection Item Due Date	817	1.5
Facility Decommission	123	3.1
Full Exemption from Reclamation	124	22.6
Gas Well Test Waiver	0	0
Good Production Practice (GPP)	4	25
ILRP Compliance Plan	4	6.2
Licence Transfer	139	10.9
Logging Amendment	136	3.3
Maximum Permissible Rate (MPR)	21	2.3
Measurement Exemption	24	23.6
Measurement, Accounting and Reporting Plan	5	24.1
Multi-Licenced Site Liability Reduction	298	4.8
Non-Routine Pipeline Abandonment	2	0.8
Partial Exemption from Reclamation	158	18.9
Pipeline Leave to Open	570	0.2
Pipeline Licence Data Amendment	305	0.4
Pipeline Liner Install	13	0.1
Pipeline Reactivation	61	3.7
Pipeline Removal	20	0
Pipeline Segment Cancellation	124	1.6

Pipeline Segment Data Amendment	2514	0.1
Pipeline Segment Replacement or Reroute	6	0.5
Reclamation	1189	39.1
Reclamation Declaration	448	0
Reclassification	56	8.5
Recompletion	70	2.8
Rental Refund for Helium Leases	0	0
Retroactive Pipeline Licence	7	2.6
Security Deposit Refund Request	33	1
Spacing Modification	68	19.6
Venting/Flaring	26	48.2
Well Abandonment	2051	1.7
Well Test	13	13.8