

The Subsurface Mineral Tenure Regulations

being

[Chapter C-50.2 Reg 30](#) (effective March 26, 2015).

NOTE:

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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CHAPTER C-50.2 REG 30

The Crown Minerals Act

PART I

Preliminary Matters

Title

- 1 These regulations may be cited as *The Subsurface Mineral Tenure Regulations*.

Interpretation

- 2 In these regulations:

“**accountant**” means an accountant who is a member in good standing of a recognized accounting profession that is regulated by an Act;

“**Act**” means *The Crown Minerals Act*;

“**additional nameplate capacity**” means the additional nameplate capacity achieved by the holder of the lease within the first five years of the renewal of the initial term of a lease;

“**approved**” means approved by the minister;

“**business day**” means a day other than a Saturday, Sunday or holiday;

“**cadastral parcel mapping system**” means the cadastral parcel mapping system as defined in *The Land Surveys Act, 2000*;

“**CPI**” means the “All-items” Consumer Price Index for Saskatchewan published by Statistics Canada;

“**disposition document**” means the document issued by the minister, whether in paper or electronic form, evidencing a Crown disposition of subsurface minerals;

“**engineer**” means an engineer who is a professional engineer whose registration pursuant to *The Engineering and Geoscience Professions Act* is in good standing;

“**financial adjustment factor**” means the value A for a year calculated in accordance with the following for:

$$A = \frac{B}{C}$$

where:

B is the CPI for December of the most recent calendar year for which the value is available; and

C is the CPI for December 2014;

“**freehold mineral lands**” means any mineral lands that are not Crown mineral lands;

“**Land Surveys Directory**” means the Land Surveys Directory established pursuant to *The Land Surveys Act, 2000*;

“land utilization rate” or **“LUR”** means the number determined by dividing the nameplate capacity allocated to a lease block pursuant to section 25 by the net mining area;

“lease” means a lease issued pursuant to section 19, renewed pursuant to Part V or continued pursuant to Part VIII;

“lease block” means a block of contiguous Crown mineral lands and freehold mineral lands that includes all of the Crown mineral lands that are the subject of the lease;

“lease block area” means the area of a lease block as measured in hectares;

“lease lands” means the Crown mineral lands that are the subject of a lease;

“map” means a map that uses the North American Datum 1983 (CSRS 98) convention and that includes the following reference information:

- (a) the boundaries of the disposition;
- (b) pertinent positional references;
- (c) a scale bar;
- (d) a north arrow;
- (e) a title;
- (f) a legend;
- (g) geodetic datum;
- (h) the author;
- (i) the date on which it was made;

“mined area” means the area in hectares of the mined lands;

“mined lands” means any mineral parcel or road allowance within the lease block that contains an underground mine working constructed for the purpose of recovering subsurface minerals;

“mineral parcel” means a mineral parcel as defined in *The Land Titles Act, 2000*;

“nameplate capacity” means the in-place engineered full-load sustained output of a mine over a 12-month period as measured in product tonnes equal to either:

- (a) the design capacity of the mine; or
- (b) the proven capacity of the mine;

“net mining area” means the number of hectares determined by subtracting the mined area from the lease block area;

“performance deposit” means a payment by a holder of a lease to renew a lease for a second 21-year term calculated in accordance with section 28;

“permit” means a permit issued pursuant to section 7 or continued pursuant to Part VIII;

“permit block” means a block of contiguous Crown mineral lands and freehold mineral lands of not more than 40 500 hectares that includes all of the Crown mineral lands that are the subject of a permit;

“permit lands” means the Crown mineral lands that are the subject of a permit;

“product” means either:

- (a) potassium chloride produced for sale after the recovery and processing of a subsurface mineral ore; or
- (b) any other subsurface mineral produced after the recovery and processing of subsurface mineral ore if the produced subsurface mineral contains less than 100 000 tonnes per year of potassium chloride;

“road allowance” means a surveyed road allowance as shown on a plan of survey recorded in the Land Surveys Directory;

“subsurface disposition” means a subsurface disposition issued, renewed or continued as a permit or lease in accordance with these regulations;

“subsurface disposition area” means the surface area of the subsurface disposition lands to which the rights constituting a disposition relate, as calculated in hectares;

“subsurface disposition lands” means the Crown mineral lands that are the subject of a disposition;

“subsurface mineral” means all natural mineral salts of boron, calcium, lithium, magnesium, potassium, sodium, bromine, chlorine, fluorine, iodine, nitrogen, phosphorus and sulfur, and their compounds, occurring more than 60 metres below the surface of the land;

“target capacity” means the capacity of a mine as measured in product tonnes per year and calculated by multiplying the net mining area of the lease block that includes the mine by the target LUR;

“target LUR” means:

- (a) in the case of a conventional mine, 50 tonnes of product per hectare per year; and
- (b) in the case of a solution mine, 70 tonnes of product per hectare per year;

“unit agreement” means an agreement executed by the minister pursuant to section 18 of the Act;

“unmet capacity” means the amount measured in product tonnes per year by which the target capacity for the lease block exceeds the nameplate capacity allocated pursuant to clause 25(2)(b) to recover product from the lease block;

“work” means all activities related to the exploration and development of subsurface minerals, including:

- (a) the drilling of an exploration or development well;
- (b) the sinking or boring of a shaft;
- (c) the acquisition or conduct of a geophysical survey;
- (d) the assaying or testing of subsurface minerals;
- (e) the testing of extraction or recovery methods;
- (f) the preparation of engineering and environmental studies;

- (g) the construction of facilities for the processing of subsurface minerals;
- (h) the construction of mine workings; and
- (i) any other approved work.

2 Apr 2015 cC50.2 Reg 30 s2.

PART II Subsurface Disposition Lands

Mineral parcels

3(1) The minister may issue a subsurface disposition for mineral parcels that are the subject of a Crown title or Crown abstract registered or recorded in the Land Titles Registry or the Abstract Directory established pursuant to *The Land Titles Act, 2000*.

(2) For the purpose of determining the subsurface disposition area for subsurface disposition lands, the surface area of each mineral parcel is the amount A calculated in accordance with the following formula:

$$A = B \times C$$

where:

B is the Crown's fractional share of the subsurface minerals within the mineral parcel; and

C is the surface area of the mineral parcel as measured in hectares, determined using the cadastral parcel mapping system.

(3) Notwithstanding subsection (2), the subsurface disposition area set out in a subsurface disposition issued before the day on which these regulations come into force prevails until:

- (a) the lease is renewed; or
- (b) the permit is converted to a lease.

(4) Any changes to the subsurface disposition area through surrender or addition take effect on the anniversary date of the issuance of the subsurface disposition that follows the date on which the change is made.

2 Apr 2015 cC50.2 Reg 30 s3.

Road allowances

4(1) A subsurface disposition is deemed to include all subsurface minerals within any road allowance that borders the west or south boundary of a mineral parcel included in the subsurface disposition unless before the issuance of the subsurface disposition the road allowance is:

- (a) subject to a Crown disposition; or
- (b) withdrawn by the minister from disposition pursuant to section 21 of the Act.

(2) Subsection (1) does not apply to a subsurface disposition issued before the coming into force of these regulations.

2 Apr 2015 cC50.2 Reg 30 s4.

Special application for road allowances

- 5(1) A person may apply to the minister in an approved form and manner for a lease of subsurface minerals within a road allowance that is not included in a subsurface disposition pursuant to section 4.
- (2) On receipt of an application pursuant to subsection (1), the minister may:
- (a) issue a lease or include the road allowance in an existing lease if the minister is satisfied that:
 - (i) the applicant has the right to develop the subsurface minerals in the mineral parcel adjoining the road allowance;
 - (ii) the applicant requires the subsurface minerals to support the development and operations of a mine capable of producing product;
 - (iii) the minerals within the road allowance are not the subject of a subsurface disposition; and
 - (iv) the applicant meets all other requirements of these regulations concerning the issuance of a lease; or
 - (b) refuse to issue a lease.
- (3) If the minister makes a decision pursuant to clause (2)(b), within 90 days after receipt of the application the minister shall notify the applicant and provide written reasons for the decision.

2 Apr 2015 cC50.2 Reg 30 s5.

Determination of road allowance area

6 For the purposes of these regulations, the area of any subsurface mineral lands within a road allowance is determined based on the surface dimensions of the road allowance as shown on the most recent edition of the township survey recorded in the Land Surveys Directory.

2 Apr 2015 cC50.2 Reg 30 s6.

PART III

Permits

Sale of permit

- 7(1) Subject to section 33, on the application of an interested person or on the minister's own motion, the minister may issue a notice of sale of permit by sealed bid for any Crown minerals or Crown mineral lands that may be granted by permit pursuant to these regulations.
- (2) The notice of sale of permit mentioned in subsection (1) must:
- (a) be published on the ministry's website;
 - (b) specify the date of the sale;
 - (c) specify the date and time, not earlier than 90 days after the date of the notice's publication, after which the minister will not receive sealed bids;
 - (d) describe the method of payment for fees, rentals, bid and applicable taxes owed to the Crown by the successful bidder;

- (e) describe the permit block and the required work expenditure for the work to be conducted within that block during the term of the permit, as determined pursuant to section 11;
 - (f) list the Crown minerals and Crown mineral lands to be included in the permit;
 - (g) set out the minimum bid for the permit; and
 - (h) include any other terms, conditions or information that the minister considers appropriate.
- (3) Every person who wishes to obtain a permit shall submit in an approved form and manner a sealed bid to the minister in accordance with the terms and conditions set out in subsection (2).
- (4) After expiration of the bidding period, the minister shall issue a permit to the person who:
- (a) submits the highest bid in accordance with this section;
 - (b) pays the rental for the first year of the permit set out in subsection 10(1);
 - (c) pays all applicable taxes payable in relation to the fees, rentals and bid; and
 - (d) meets all other requirements of the Act and these regulations.
- (5) Notwithstanding subsection (4), the minister reserves the unqualified right to refuse all bids and the unqualified right to refuse to issue a permit to any or all persons submitting a bid and, if the minister refuses to issue a permit, the minister shall refund any money submitted by the unsuccessful bidders.
- (6) The rights set out in subsection (5) are terms or conditions under which all bids are made.

2 Apr 2015 cC50.2 Reg 30 s7.

Rights granted to holder of permit

- 8(1) Subject to section 19 of the Act, a permit grants the holder the exclusive right to explore for and to develop any subsurface minerals that are within the permit lands.
- (2) A holder of a permit is entitled to convert the permit to a lease in accordance with Part IV.
- (3) Subject to subsection (4), a permit does not grant the holder the right to remove, carry away or dispose of any subsurface minerals from the permit lands.
- (4) A holder of a permit may extract and remove samples of subsurface minerals from the permit lands for the purpose of analyzing and testing the samples and for mineralogical or other scientific studies.

2 Apr 2015 cC50.2 Reg 30 s8.

Term of permit

- 9(1) The term of a permit:
- (a) commences on the date on which the permit is issued; and
 - (b) expires eight years after the date on which it was issued.

(2) Notwithstanding subsection (1), at the written request of the holder of the permit, the minister may extend the term of a permit for a period the minister considers appropriate if the minister is satisfied that during the final three years of the term of the permit the holder is prevented from gaining access to the permit block for more than 90 consecutive days to perform the work necessary to meet the required work expenditure by:

- (a) a natural disaster; or
- (b) action taken by a government agency or a member of the Executive Council for environmental or regulatory purposes with respect to the permit block.

(3) If the term of a permit is extended pursuant to subsection (2), the holder of the permit is not required to pay any rental with respect to the period of the extension of the term of the permit.

2 Apr 2015 cC50.2 Reg 30 s9.

Permit rental

10(1) Subject to subsection (2), a holder of a permit shall pay on or before the anniversary date of the permit the following annual rental for the year that follows that anniversary, calculated in accordance with the subsurface disposition area:

- (a) \$2 per hectare per year for the first five years of the term of the permit;
- (b) \$5 per hectare per year for the final three years of the term of the permit.

(2) If a permit was issued before the coming into force of these regulations, the holder of the permit shall pay on or before the anniversary date of the permit the following annual rental for the year that follows that anniversary:

- (a) \$1.24 per hectare per year for the first five years of the term of the permit, calculated in accordance with the subsurface disposition area;
- (b) \$10,000 for the sixth year of the term of the permit;
- (c) \$20,000 for the seventh year of the term of the permit;
- (d) \$40,000 for the eighth year of the term of the permit.

2 Apr 2015 cC50.2 Reg 30 s10.

Permit work expenditure

11(1) The required work expenditure for a permit is the amount A, rounded to the next higher multiple of \$1,000 unless the amount is an exact multiple of \$1,000, and calculated in accordance with the following formula:

$$A = B \times C \times D$$

where:

B is the total surface area of the mineral parcels within the permit block as measured in hectares;

C is \$350; and

D is the financial adjustment factor for the year for which the calculation is made.

- (2) The required work expenditure calculated in accordance with subsection (1):
 - (a) takes effect on the day on which the permit is issued; and
 - (b) is binding on the holder of the permit.

2 Apr 2015 cC50.2 Reg 30 s11.

Eligible expenditures

12 All direct expenditures related to the conduct of work within a permit block during the term of the permit are eligible expenditures to meet the required work expenditure set out in section 11.

2 Apr 2015 cC50.2 Reg 30 s12.

Interim expenditure report

13(1) Within 90 days after the end of the fifth year of the permit and in an approved form and manner, a holder of a permit shall provide to the minister an interim expenditure report setting out the expenditures on work conducted to the end of the fifth year of the permit.

(2) The interim expenditure report submitted pursuant to subsection (1) must include:

- (a) a financial statement that sets out the eligible expenditures certified by an accountant; and
- (b) any other information that the minister may require to verify the content of the interim expenditure report.

(3) On review of the interim expenditure report, the minister shall notify the holder of the permit of the total approved expenditures to the end of the fifth year of the term of the permit.

(4) A holder of a permit may submit to the minister at any time during the term of the permit an interim expenditure report in accordance with this section if the holder has conducted sufficient work to meet the entire required work expenditure for the permit.

(5) If the total approved expenditures submitted in accordance with this section meet or exceed the required work expenditure for the permit, the interim expenditure report is deemed to be the final expenditure report for the purpose of section 14.

2 Apr 2015 cC50.2 Reg 30 s13.

Final expenditure report

14(1) Within 90 days after the term of the permit expires and in an approved form and manner, a holder of a permit shall submit to the minister a final expenditure report setting out the expenditures on work conducted to meet the required work expenditure that was unmet at the time the interim expenditure report was approved.

(2) The final expenditure report submitted pursuant to subsection (1) must include:

- (a) a financial statement that sets out the eligible expenditures certified by an accountant; and
- (b) any other information that the minister may require to verify the content of the final expenditure report.

- (3) On review of the final expenditure report and any information requested by the minister pursuant to clause (2)(b), the minister shall:
- (a) notify the holder that the required work expenditure for the permit has been satisfied; or
 - (b) notify the holder that the evidence contained in the final expenditure report is insufficient to demonstrate that the required work expenditure for the permit has been satisfied.
- (4) If a notice pursuant to clause (3)(b) is issued by the minister, the holder may, within 30 days after receiving the notice, submit a revised final expenditure report addressing any expenditure deficiencies identified by the minister.
- (5) On review of the revised final expenditure report, the minister shall provide the holder of the permit with a final notice setting out the total approved expenditures for the permit.

2 Apr 2015 cC50.2 Reg 30 s14.

Grouping of permits

- 15(1) For the purpose of meeting the required work expenditure for a permit, a holder of a permit issued after the coming into force of these regulations may apply to the minister in an approved form and manner to group up to three permits.
- (2) The minister shall approve the grouping of the permits pursuant to subsection (1) if:
- (a) the permits are in good standing;
 - (b) the permits are not already grouped with another permit;
 - (c) the ownership of the permits to be grouped is in common; and
 - (d) the permit blocks for the permits are contiguous.
- (3) Any approved expenditures on work performed within the grouped permits may be applied to any of the permits that constitute the group for the purpose of meeting the required work expenditure for the permits.

2 Apr 2015 cC50.2 Reg 30 s15.

Complete surrender of permit

- 16(1) A holder of a permit that is in good standing has the right to surrender the permit at any time.
- (2) No surrender pursuant to subsection (1) entitles the holder of a permit to a refund of any rental paid to the Crown.

2 Apr 2015 cC50.2 Reg 30 s16.

Partial surrender of permit lands

- 17(1) A holder of a permit that is in good standing may apply to the minister, in an approved form and manner, to surrender a portion of the permit lands.
- (2) The minister shall approve the partial surrender of the permit lands if:
- (a) the block of mineral lands containing the surrendered permit lands is located along the outer boundary of the permit block; and
 - (b) the permit block resulting from the partial surrender remains a single block of contiguous mineral lands.

(3) Notwithstanding the surrender of permit lands, the required work expenditure for the permit as of the effective date of the permit continues to apply to the reduced permit.

(4) Any expenditures for work that has been carried out on the portion of the permit lands surrendered pursuant to subsection (1) may be applied to meet the required work expenditure for the reduced permit.

2 Apr 2015 cC50.2 Reg 30 s17.

PART IV Leases

Application for lease

18(1) The holder of a permit that is in good standing may apply to the minister in an approved form and manner to convert the permit to a lease.

(2) An application submitted pursuant to subsection (1) must:

- (a) be submitted before the term of the permit expires;
- (b) include the first year of the rental determined in accordance with section 22; and
- (c) include the application fee set out in the Appendix.

2 Apr 2015 cC50.2 Reg 30 s18.

Issuance of lease to holder of permit

19(1) The minister shall issue a lease of Crown mineral lands to the holder of a permit if the holder:

- (a) submits an application pursuant to section 18;
- (b) meets the required work expenditure for the permit; and
- (c) is in compliance with all other requirements of the Act and these regulations.

(2) The term of a lease issued pursuant to this section commences on the date on which the application for the lease is submitted pursuant to section 18.

(3) The holder of a permit who converts the permit to a lease pursuant to subsection (1) is not entitled to a refund of any rental paid to the Crown for the permit.

2 Apr 2015 cC50.2 Reg 30 s19.

Rights granted to holder of lease

20 Subject to section 19 of the Act, a lease grants to the holder the exclusive right to explore for, mine, work, recover, procure, remove, carry away and dispose of any subsurface minerals within the lease lands.

2 Apr 2015 cC50.2 Reg 30 s20.

Term of lease

21(1) The term of a lease is 21 years.

(2) A lease is renewable for successive terms in accordance with Part V.

2 Apr 2015 cC50.2 Reg 30 s21.

Lease rental

22(1) A holder of a lease shall pay on or before the anniversary date of the lease the following annual rental for the year that follows that anniversary, calculated in accordance with the subsurface disposition area:

- (a) \$10 per hectare per year for the initial term of the lease;
- (b) \$20 per hectare per year for any lease renewed after its initial term.

(2) Notwithstanding clause (1)(b), if the holder of a lease submits evidence to the minister in an approved form and manner that 100 000 tonnes of product has been produced since the commencement of the lease in aggregate from the lease block, the holder of the lease shall pay an annual rental of \$10 per hectare per year, commencing in the next year.

2 Apr 2015 cC50.2 Reg 30 s22.

Complete surrender of lease

23(1) A holder of a lease that is in good standing may apply to the minister in an approved form and manner to surrender the lease at any time.

(2) After reviewing an application made pursuant to subsection (1), the minister shall approve the surrender if the holder of the lease is, in the opinion of the minister, in compliance with:

- (a) the Act and these regulations;
- (b) the terms of the lease agreement; and
- (c) any other Act or regulation related to the termination of the lease and the cessation of mining operations.

(3) No surrender of a lease entitles the holder of the lease to a refund of any rental or deposit paid to the Crown.

2 Apr 2015 cC50.2 Reg 30 s23.

Partial surrender of lease lands

24(1) A holder of a lease that is in good standing may apply to the minister in an approved form and manner to surrender a portion of the lease lands.

(2) After reviewing an application made pursuant to subsection (1), the minister shall approve the partial surrender of the lease lands if:

- (a) the block of mineral lands containing the surrendered lease lands is located along the outer boundary of the lease block;
- (b) the lease block resulting from the partial surrender remains a single block of contiguous mineral lands;
- (c) the surrendered lease lands are located further than 800 metres from any mined lands; and
- (d) the surrendered lease lands are not subject to a unit agreement.

2 Apr 2015 cC50.2 Reg 30 s24.

PART V
Lease Renewal, Amalgamation and Addition

Application for lease renewal

25(1) The holder of a lease may apply to the minister in an approved form and manner to renew the lease for an additional 21-year term if:

- (a) the lease is in good standing; and
 - (b) the application is received before the end of the term of the lease.
- (2) An application submitted pursuant to subsection (1) must include:
- (a) a map showing:
 - (i) the lease block containing the lease lands that are the subject of the renewal application;
 - (ii) any mined lands within the lease block; and
 - (iii) any subsurface minerals within the lease block that are the subject of a unit agreement;
 - (b) subject to subsection (3) and section 26, a declaration certified by an engineer of the nameplate capacity allocated to produce product from the lease block;
 - (c) if no nameplate capacity is allocated to produce product from the lease block, a study certified by an engineer setting out the method to be used to mine the subsurface minerals from the lease block; and
 - (d) the lease renewal fee set out in the Appendix.
- (3) If the nameplate capacity of a mine supports the production of subsurface minerals from mineral lands not included in the lease block, the declaration mentioned in clause (2)(b) must designate the share of the nameplate capacity allocated to the lease block.

2 Apr 2015 cC50.2 Reg 30 s25.

Reallocation of nameplate capacity

26(1) A holder of a lease may apply in an approved form and manner to the minister to do either or both of the following:

- (a) amend a declaration previously submitted for the renewal of a lease in accordance with subsection 25(3) to reallocate nameplate capacity of a mine to different lease blocks;
 - (b) reallocate nameplate capacity allocated to a lease block pursuant to section 52.
- (2) The minister shall approve the reallocation of nameplate capacity if the resulting LUR for the lease block containing any previously renewed lease equals or exceeds the target LUR.

2 Apr 2015 cC50.2 Reg 30 s26.

Lease renewal

27 On receipt of an application pursuant to section 25 and subject to sections 28 and 30, the minister shall renew the lease for an additional 21-year term in relation to:

- (a) all lease lands within the lease block included in a unit agreement;
- (b) all lease lands within the lease block that are mined lands; and
- (c) all other lease lands within the lease block if the LUR for the lease block equals or exceeds the target LUR.

2 Apr 2015 cC50.2 Reg 30 s27.

Lease renewal after initial term

28(1) If an application to renew a lease after its initial 21-year term includes lease lands that are not eligible for renewal in accordance with section 27, the minister shall issue a notice to the holder of the lease setting out:

- (a) the LUR calculated by the minister for the lease block based on the information submitted in accordance with section 25;
- (b) the unmet capacity for the lease block;
- (c) the area in hectares of mineral lands that must be removed from the lease block in order to meet the target LUR; and
- (d) the required performance deposit if the lease block is not reduced.

(2) The performance deposit required pursuant to clause (1)(d) is the amount A calculated in accordance with the following formula:

$$A = B \times C \times D$$

where:

B is the product tonnes of unmet capacity;

C is \$17.50; and

D is the financial adjustment factor for the year for which the calculation is made.

(3) On receipt of the notice mentioned in subsection (1), the holder of the lease shall within 60 days:

- (a) pay the performance deposit specified in the notice; or
- (b) reduce the lease block by submitting to the minister an application pursuant to section 24 to partially surrender the lease lands in order to meet the target LUR.

(4) Any payment of a performance deposit pursuant to this section must be made in the form of:

- (a) a cash payment;
- (b) a certificate of deposit or irrevocable letter of credit issued by a bank in Canada or a credit union;
- (c) a security issued by the Government of Canada, the Government of Saskatchewan or the government of any other province or territory in Canada, the payment of which is guaranteed by the issuer; or

- (d) any other form of payment that in the opinion of the minister provides financial security equivalent to what is provided pursuant to clause (a), (b) or (c).
- (5) If the holder of the lease submits the performance deposit or reduces the lease block pursuant to subsection (3), the minister shall:
 - (a) renew the lease for an additional 21 years; and
 - (b) remove from the lease any lease lands that are surrendered from the lease block.
- (6) Notwithstanding subsection (5), the holder of the lease may submit a combination of a performance deposit and a lease block reduction that meets the requirements of this section.
- (7) The minister shall renew the lease only in relation to the lease lands mentioned in clauses 27(a) and (b) if the holder of the lease fails to:
 - (a) submit a performance deposit; or
 - (b) reduce the lease block in accordance with this section.

2 Apr 2015 cC50.2 Reg 30 s28.

Refund of performance deposit

29(1) A holder of a lease may apply in an approved form and manner to the minister for a refund of the performance deposit paid pursuant to section 28 if:

- (a) the lease is in good standing; and
 - (b) the application is received before the end of the fifth year of the lease.
- (2) An application submitted pursuant to subsection (1) must include:
- (a) a declaration certified by an engineer stating the additional nameplate capacity constructed to produce product from the lease block since the beginning of the renewal term of the lease; and
 - (b) any other information required by the minister to validate the information contained in the application.
- (3) The minister shall refund the performance deposit if the holder of the lease satisfies the minister that the additional nameplate capacity set out in the declaration mentioned in clause (2)(a) equals or exceeds the unmet capacity determined at the time of lease renewal.
- (4) If the additional nameplate capacity is less than the unmet capacity, the minister shall refund a portion of the performance deposit in the amount A, calculated in accordance with the following formula:

$$A = B \times \frac{C}{D}$$

where:

B is the performance deposit;

C is the additional nameplate capacity set out in the declaration mentioned in clause (2)(a); and

D is the unmet capacity determined at the time of lease renewal.

- (5) Any performance deposit not refunded in accordance with this section is forfeited to the Crown.
- (6) Notwithstanding subsection (1), at the written request of the holder of the lease, the minister may extend the period for applying for a refund of the performance deposit for a period that the minister considers appropriate, not exceeding the remaining term of the lease, if the minister is satisfied that the holder is prevented from constructing a mine to produce product from the lease block for more than 90 consecutive days by:
- (a) a natural disaster; or
 - (b) action taken by a government agency or a member of the Executive Council for environmental or regulatory purposes.

2 Apr 2015 cC50.2 Reg 30 s29.

Lease renewal after renewal term

- 30(1)** If an application to renew a lease after a renewal term includes lease lands that are not eligible for renewal in accordance with section 27, the minister shall issue a notice to the holder of the lease setting out:
- (a) the LUR calculated by the minister for the lease block based on the information submitted with the application for lease renewal;
 - (b) the unmet capacity for the lease block; and
 - (c) the area in hectares of mineral lands that must be removed from the lease block in order to meet the target LUR.
- (2) On receipt of the notice mentioned in subsection (1), the holder of the lease may, within 30 days, submit:
- (a) additional evidence demonstrating to the satisfaction of the minister that the lease lands identified in the application for the renewal of the lease are eligible for renewal in accordance with section 27; or
 - (b) an application to the minister pursuant to section 24 to surrender part of the lease lands in order for the lease lands to be eligible for renewal in accordance with section 27.
- (3) On receipt of an application submitted pursuant to clause (2)(b), the minister shall:
- (a) renew the lease for an additional 21 years if the reduced lease block is eligible for renewal in accordance with section 27; and
 - (b) remove from the lease any lease lands that are surrendered from the lease block.
- (4) The minister shall renew the lease only in relation to lease lands mentioned in clauses 27(a) and (b) if the holder of the lease fails to submit:
- (a) additional evidence that satisfies the requirements of clause (2)(a); or
 - (b) an application pursuant to clause (2)(b).

2 Apr 2015 cC50.2 Reg 30 s30.

Lease amalgamation

31(1) A holder of a lease may apply in an approved form and manner to the minister to amalgamate the lease with one or more leases that are owned by the holder into a single lease.

- (2) The minister shall approve the amalgamation of the leases if:
- (a) all of the leases that are the subject of the proposed amalgamation are in good standing; and
 - (b) the LUR for the resulting lease block containing the lease lands equals or exceeds the target LUR.
- (3) The effective date of the lease resulting from an amalgamation pursuant to subsection (2) is the effective date of the earliest of the leases subject to the amalgamation.

2 Apr 2015 cC50.2 Reg 30 s31.

Lease additions and adjustments

32(1) A holder of a lease may apply in an approved form and manner to the minister to amend the schedule of Crown mineral lands in the lease in order to:

- (a) add any undisposed subsurface minerals located within a lease block that may become available for disposition after the issuance of the lease;
 - (b) adjust or realign the boundary of the lease with an adjoining lease held by another holder of a lease for the purposes of mine safety or of optimizing current and future mineral production; or
 - (c) add any undisposed subsurface minerals within a potash restricted drilling area that was established pursuant to section 26 of *The Oil and Gas Conservation Regulations, 2012* before the coming into force of these regulations.
- (2) The minister may amend the schedule of Crown mineral lands in the lease to include the additional Crown mineral lands if the minister is satisfied that:
- (a) the amendment is required to support the development or expansion of a mine; and
 - (b) in the case of an application pursuant to clause (1)(b), the consent of the adjoining holder of a lease has been obtained.

2 Apr 2015 cC50.2 Reg 30 s32.

Expansion of lease

33(1) In this section, “**development zone**” means any mineral lands that are located, either in whole or in part, within 10 kilometres of a lease with respect to which there is a mine capable of production.

(2) A holder of a lease may apply in an approved form and manner to the minister to amend the lease to include Crown minerals and Crown mineral lands within a development zone that are not subject to a subsurface disposition:

- (a) within 30 days after receipt of a notice mentioned in subsection (3); or
- (b) at any time after the commencement of mining operations.

(3) Before publishing a notice of sale of permit pursuant to section 7 with respect to any Crown mineral lands within a development zone, the minister shall notify the holder of the lease of the minister's intention to dispose of the Crown minerals and Crown mineral lands by permit.

(4) Subject to subsection (6), the application pursuant to subsection (2) must include:

- (a) a map showing:
 - (i) the lease block for the lease that is the subject of the application;
 - (ii) the mined lands within the lease block; and
 - (iii) the expanded lease block resulting from the proposed addition to the lease of the Crown mineral lands located within the development zone;
- (b) a declaration certified by an engineer of the nameplate capacity of a mine allocated to produce product from the expanded lease block;
- (c) a list of Crown mineral lands to be added to the lease; and
- (d) a cash payment determined in accordance with subsection (5).

(5) The cash payment required pursuant to clause (4)(d) is the amount A calculated in accordance with the following formula:

$$A = B \times C \times D$$

where:

B is the area in hectares of the Crown mineral lands to be included in the lease;

C is \$350; and

D is the financial adjustment factor for the year for which the calculation is made.

(6) Subject to subsection (7), the minister shall approve the addition of the Crown minerals and Crown mineral lands to the lease if:

- (a) the LUR of the expanded lease block equals or exceeds the target LUR;
- (b) the lease is in good standing; and
- (c) all other requirements of these regulations are met.

(7) If two or more applications are submitted to the minister that meet the requirements of subsection (6), the minister shall assign the Crown minerals and Crown mineral lands to the lease of the applicant whose lease block has the highest LUR.

PART VI
Transfers of Interests in Subsurface Dispositions

Registrable transfers

34(1) In this Part, “**transfer**” means a transfer with respect to an interest in a subsurface disposition.

(2) A transfer may be registered pursuant to this Part if the transfer is with respect to an interest in a subsurface disposition that the holder is not prohibited from transferring or agreeing to transfer by the Act or these regulations.

(3) A transfer mentioned in subsection (2) may convey to any person:

- (a) the entire undivided interest of the holder in the subsurface disposition; or
- (b) a fractional share of the undivided interest of the holder in a subsurface disposition that is not less than one-twentieth of the subsurface disposition.

2 Apr 2015 cC50.2 Reg 30 s34.

Registration of transfers

35(1) A person who intends to register a transfer shall submit in an approved form and manner to the minister:

- (a) the original document transferring the subsurface disposition or the interest in the subsurface disposition; and
- (b) the fee set out in the Appendix.

(2) On receipt of the transfer, the minister shall register the transfer if:

- (a) the transfer is unconditional; and
- (b) in the opinion of the minister, the transfer meets all of the requirements of the Act and these regulations.

(3) On acceptance of a transfer for registration, the minister shall amend the records of the ministry to reflect the transfer of ownership.

(4) Notwithstanding subsection (3), if more than one transfer is received by the minister, the transfers must be registered in the order in which they were received.

(5) When a transfer is executed by an attorney or agent, written proof of the authority of the attorney or agent satisfactory to the minister must be submitted to the minister.

2 Apr 2015 cC50.2 Reg 30 s35.

Effect of registration

36(1) Notwithstanding any other Act or law, a transfer that is not registered pursuant to this Part is void against any registered transfer.

(2) On the registration of a transfer, the transferee becomes the holder with respect to the interest transferred.

(3) A transfer recorded or registered in the records of the ministry maintained for that purpose before the coming into force of this Part is deemed to have been registered pursuant to this Part.

2 Apr 2015 cC50.2 Reg 30 s36.

Abstract

37 On payment of the fee set out in the Appendix, a person may obtain from the minister an abstract of the notations recorded on a disposition document and of the document register maintained by the minister for the purpose of registering transfers pursuant to this Part.

2 Apr 2015 cC50.2 Reg 30 s37.

Inspection of records

38 Subject to the consent of the holder and on payment of the fee set out in the Appendix, the minister may permit a person to inspect the records of the ministry related to a subsurface disposition.

2 Apr 2015 cC50.2 Reg 30 s38.

Certified copy of documents

39 On payment of the fee set out in the Appendix, any person may obtain from the minister a certified copy of a disposition document.

2 Apr 2015 cC50.2 Reg 30 s39.

PART VII General Provisions

Holder of subsurface disposition

40(1) A subsurface disposition issued pursuant to these regulations must be held in the name of one or more:

- (a) individuals; or
- (b) corporations incorporated, established, continued or registered pursuant to an Act.

(2) A subsurface disposition issued before the coming into force of these regulations that does not meet the requirements of subsection (1) continues in the name or names in which it was issued, but on conversion, renewal, transfer or amendment of the disposition must meet the requirements of subsection (1).

(3) If a subsurface disposition is issued in the name of more than one person, each person is jointly and severally liable for all obligations of the holder of the subsurface disposition pursuant to the Act, these regulations and the disposition document.

2 Apr 2015 cC50.2 Reg 30 s40.

Address for service

41(1) A holder of a subsurface disposition shall submit to the minister in an approved form and manner his or her:

- (a) address for service; and
- (b) email address for service.

(2) If the holder of a subsurface disposition mentioned in subsection (1) has a change of name, the holder must submit to the minister evidence satisfactory to the minister of the change of name.

(3) If the holder of the subsurface disposition is a corporation incorporated, continued or registered pursuant to *The Business Corporations Act*, the holder shall submit, along with the information mentioned in clauses (1)(a) and (b):

- (a) the entity number in the register of corporations established pursuant to section 282 of *The Business Corporations Act*; and
- (b) the name of the attorney for service for the corporation.

(4) If a holder of a subsurface disposition that is a corporation incorporated, continued or registered pursuant to *The Business Corporations Act* changes its name or amalgamates with another corporation, the holder shall submit to the minister a copy of the appropriate certificate of amendment or certificate of amalgamation and the entity number of the amalgamated corporation in the register of corporations established pursuant to section 282 of *The Business Corporations Act*.

(5) Any changes in the information submitted to the minister pursuant to this section must be provided to the minister:

- (a) in the case of a change of email address, immediately; and
- (b) in the case of any other information, within 15 business days after the change.

(6) After receiving any information pursuant to this section, the minister shall amend the records of the ministry to reflect the change.

2 Apr 2015 cC50.2 Reg 30 s41.

Notices

42(1) Any notice or information that the minister is required to give to or serve on the holder of a subsurface disposition pursuant to the Act and these regulations may be given or served:

- (a) in paper form by ordinary mail; or
- (b) by email.

(2) Any notice or information that the minister is required to give or serve pursuant to the Act and these regulations is deemed to have been received:

- (a) five business days after it is sent if transmitted by email; or
- (b) 10 business days after it is sent if provided in paper form by ordinary mail.

2 Apr 2015 cC50.2 Reg 30 s42.

Work reports

43(1) Unless product is being produced and sold from the subsurface disposition lands, within 90 days after the end of each calendar year or the termination of the subsurface disposition, a holder of a subsurface disposition shall submit to the minister in an approved form and manner a work report giving full particulars of all work carried out during the preceding year in relation to the subsurface disposition.

(2) The work report submitted in accordance with subsection (1) must include:

- (a) a description of the work performed;
- (b) an analysis and interpretation of the results of any work conducted during the year;
- (c) a map showing the location of any wells drilled by the holder of the subsurface disposition;
- (d) a description of any subsurface mineral cores recovered during drilling operations;
- (e) a summary of all chemical and mineralogical analyses of samples obtained; and
- (f) any other information, data or material the minister may request.

(3) No holder of a subsurface disposition shall fail to ensure that each work report submitted by it is accurate and complete.

2 Apr 2015 cC50.2 Reg 30 s43.

Particulars of mine operation

44 On request of the minister in writing, a holder of a lease from which product is being produced and sold shall, within 90 days after receiving the notice, submit in an approved form and manner:

- (a) particulars of the results of any operations or analyses;
- (b) maps relating to the holder's operations; or
- (c) samples of any subsurface minerals or any other substances encountered during the holder's operations.

2 Apr 2015 cC50.2 Reg 30 s44.

Examination of records

45 Every holder of a subsurface disposition shall make available to the minister during normal business hours at the address of the holder, or at any other place identified by the holder as a place where the records are kept, records related to:

- (a) any samples of minerals and other substances encountered during the operations carried out pursuant to the terms of the subsurface disposition;
- (b) the quantity and place of origin of the ore and minerals produced, used, saved and marketed from the subsurface disposition lands; and
- (c) any work reported in accordance with these regulations, including expenditures related to the work.

2 Apr 2015 cC50.2 Reg 30 s45.

Confidentiality of information

46(1) Subject to section 5 of *The Subsurface Mineral Conservation Regulations*, any information submitted to the minister by a holder of a subsurface disposition pursuant to these regulations is confidential until the subsurface disposition for the lease lands or permit lands from which the information is derived terminates or is surrendered by the holder.

(2) Notwithstanding subsection (1), the minister may release information or allow information to be inspected by a person other than the holder of the subsurface disposition with the consent of the holder.

(3) For the purposes of this section, information submitted with respect to any part of a permit that is converted to a lease is deemed to have been derived from the lease.

2 Apr 2015 cC50.2 Reg 30 s46.

PART VIII
Transitional and Coming into Force

Interpretation

47 In this Part:

“**lease agreement**” means an agreement between the minister and a lessee setting out the terms and conditions of a subsurface mineral special lease;

“**legacy lease**” means a lease issued pursuant to the previous regulations that was valid on the day before the coming into force of these regulations but does not include a subsurface mineral special lease;

“**legacy permit**” means a permit issued pursuant to the previous regulations that was valid on the day before the coming into force of these regulations but does not include a subsurface mineral special permit;

“**permit agreement**” means an agreement between the minister and a permittee setting out the terms and conditions of a subsurface mineral special permit;

“**previous regulations**” means The Subsurface Mineral Regulations, 1960, being Saskatchewan Regulations 541/67;

“**subsurface mineral special lease**” means a lease of subsurface minerals issued pursuant to clause 4(b) of the Act before the coming into force of these regulations;

“**subsurface mineral special permit**” means a permit of subsurface minerals issued pursuant to clause 4(b) of the Act before the coming into force of these regulations.

2 Apr 2015 cC50.2 Reg 30 s47.

Continuation of legacy permit

48(1) Subject to subsections (2) and (3), a legacy permit is continued as a permit issued pursuant to these regulations and expires eight years after the day on which it was issued pursuant to the previous regulations.

(2) Notwithstanding Part III, for the purposes of these regulations:

(a) clause 6(d) and sections 9 to 13 of the previous regulations as those regulations read before the coming into force of these regulations continue to apply to a legacy permit;

(b) the holder of a legacy permit may convert the permit to a lease in accordance with the previous regulations as those regulations read before the coming into force of these regulations; and

(c) sections 21 to 24 of the previous regulations as those regulations read before the coming into force of these regulations continue to apply to a lease mentioned in clause (b) that is in its initial term.

(3) Except as set out in clause (2)(c), a lease mentioned in clause (2)(b) is subject to these regulations.

2 Apr 2015 cC50.2 Reg 30 s48.

Continuation of legacy lease

49(1) Subject to subsection (2), a legacy lease is continued as a lease issued pursuant to these regulations.

(2) Sections 21 to 24 of the previous regulations as those regulations read before the coming into force of these regulations continue to apply to a legacy lease that is in its initial term.

2 Apr 2015 cC50.2 Reg 30 s49.

Subsurface mineral special permit

50(1) The rights, duties and obligations of a holder of a subsurface mineral special permit are the rights, duties and obligations set out in the permit agreement.

(2) The terms and conditions of a permit agreement that apply to the administration of the subsurface mineral special permit prevail if there is any conflict between Part III of these regulations and the terms and conditions of the permit agreement.

(3) Notwithstanding subsection (2), a subsurface mineral special permit expires eight years after the effective date of the permit agreement.

(4) For the purposes of these regulations:

(a) the holder of a subsurface mineral special permit may convert the permit to a lease in accordance with the previous regulations as those regulations read before the coming into force of these regulations; and

- (b) sections 21 to 24 of the previous regulations as those regulations read before the coming into force of these regulations continue to apply to a lease mentioned in clause (a) that is in its initial term.
- (5) Except as set out in clause (4)(b), a lease converted from a subsurface mineral special permit is subject to these regulations.

2 Apr 2015 cC50.2 Reg 30 s50.

Subsurface mineral special lease

- 51(1)** The rights, duties and obligations of a holder of a subsurface mineral special lease are the rights, duties and obligations set out in the lease agreement.
- (2) The terms and conditions of a lease agreement that apply to the renewal of the subsurface mineral special lease on the expiry of the initial term prevail if there is any conflict between Part IV or V of these regulations and the terms and conditions of the lease agreement.
- (3) Except as set out in subsection (2), a subsurface mineral special lease is subject to these regulations.
- (4) The holder of a lease agreement that is in good standing may apply at any time, in an approved form and manner, to convert a subsurface mineral special lease to a lease that conforms to the requirements of these regulations.
- (5) The minister shall approve the issuance of a lease mentioned in subsection (4) if the holder:
- (a) has met all of the expenditure requirements set out in the lease agreement; and
 - (b) satisfies the requirements of these regulations.
- (6) The effective date of a lease issued in accordance with subsection (5) is the effective date of the lease agreement from which the lease was converted.

2 Apr 2015 cC50.2 Reg 30 s51.

Deemed allocation of nameplate capacity

- 52(1)** Subject to subsection (2), as of the coming into force of these regulations, the existing nameplate capacity of any mine capable of producing product from subsurface disposition lands is deemed to be allocated to the lease block that contains the mine workings.
- (2) If more than one lease block contains the mine workings, the existing nameplate capacity shall be prorated between the lease blocks based on the respective lease block areas.

2 Apr 2015 cC50.2 Reg 30 s52.

Coming into force

- 53** These regulations come into force on the day on which they are filed with the Registrar of Regulations.

2 Apr 2015 cC50.2 Reg 30 s53.

**Appendix
Fees**

Description	Provision	Amount
1. Application for lease	18	\$500
2. Application to renew lease	25	\$500
3. Registration of transfer	35	\$250
4. Copy of abstract of disposition document	37	\$25 per disposition
5. Inspection of records	38	\$100 per disposition
6. Certified copy of disposition document	39	\$50 per disposition

2 Apr 2015 cC50.2 Reg 30.

