The Oil and Gas Conservation Regulations, 1985

Repealed

by Chapter O-2 Reg 6 (effective April 1, 2012).

Formerly

Chapter O-2 Reg 1 (effective March 7, 1985) as amended by Saskatchewan Regulations 39/87, 40/87, 32/88, 7/89, 25/89, 34/89, 96/90, 79/91, 72/92, 48/95, 50/97, 50/98, 106/2000 and 88/2005, 38/2007.

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CHAPTER O-2 REG 1

The Oil and Gas Conservation Act

PART I
Title And Interpretation

Title

1 These regulations may be cited as *The Oil and Gas Conservation Regulations, 1985*.

Interpretation

2 For the purposes of the Act and in these regulations:

(a) **"acknowledgement of reclamation"** means an acknowledgement of reclamation issued by the minister pursuant to subsection 44(4);

(a.1) **"Act"** means *The Oil and Gas Conservation Act*;

(b) **"approved"** means approved by the minister;

(c) **"associated completion"** means a completion with separate production strings cemented in a single bore hole;

(d) **"battery"** means common storage facilities receiving production from a well or wells and includes equipment for separating the fluid into oil, gas and water and for measurement;

(e) **"blow-out"** means an uncontrolled escape of fluid from a well;

(f) **"blow-out preventer"** means a special casing head used in rotary drilling, well completions and workovers to prevent the uncontrolled escape of fluid from a well;

(g) **"capacity of a well"** means the ability of a well to produce as determined by the minister pursuant to regulations or orders made pursuant to the Act;

(h) **"casing-head gas"** means any gas, vapour or combination of gas or vapour indigenous to an oil stratum and produced with oil from that stratum;

(i) **"casing pressure"** means pressure in the annulus between tubing and casing measured at the casing head of a well;

(j) **"condensate"** means a liquid hydrocarbon product that existed in the reservoir in a gaseous phase at original conditions and that is recovered from a gas stream when pressure and temperature are reduced to not lower than those at atmospheric conditions;

(k) **"cubic metre of gas"** means the volume of gas contained in one cubic metre of space at a standard pressure of 101.325 kilopascals absolute and at a standard temperature of 15 degrees Celsius;

(k.1) **"date of first production or injection"** means the date on which a well commences:

(i) production of new oil after recovering all injected completion oil;

(ii) production of marketable gas not associated with oil at the time of production;

(iii) production of water after recovering all injected completion water; or

(iv) injection of liquid or gaseous substances into a subsurface zone;

(l) **"day"** means the period of 24 consecutive hours commencing at 7:00 a.m. on one day and ending at 7:00 a.m. on the following day;

(m) **"dehydrator"** means an apparatus designed and used to remove water from gas;

(n) **Repealed.** 25 May 2007 SR 38/2007 s3.

(n.1) **"emergency response plan"** means a plan, in a format specified by the minister, to protect the public and the environment during emergencies that includes:

(i) criteria to assess an emergency situation;

(ii) procedures to mobilize and deploy response personnel and agencies; and

(iii) procedures to establish communications and co-ordination;

(n.2) **"facility"** means:

(i) an upstream facility;

(ii) a temporary facility;

(iii) a waste processing facility; and

(iv) any other oil or gas facility;

(n.3) **"first-time applicant"** means an applicant for a licence or an applicant for a transfer of a licence who has not previously held a licence issued pursuant to these regulations;

(o) **"flowline"** means a pipeline connecting a wellhead and:

(i) an oil battery facility;

(ii) a fluid injection facility; or

(iii) a gas compression facility;

and includes a pipe or system of pipes for the transportation of fluids within any of those facilities;

(o.1) **"fresh-water-bearing formation"** means a permanent subsurface water bearing formation with a significant volume of recoverable water that has total dissolved solid concentrations of less than 4000 mg/L;

(p) **"gas"** means natural gas, both before and after it has been subjected to absorption, purification, scrubbing or other treatment or process, and includes all liquid hydrocarbons other than oil and condensate;

(q) **"gas-oil ratio"** or **"GOR"** means the ratio of the number of cubic metres of gas produced from a given source in a given period to the number of cubic metres of oil produced from that source in that period of time;

(r) **"gas well"** means:

(i) a well that is capable of producing gas not associated with oil at the time of production;

(ii) that part of a well in which the gas-producing zone is successfully segregated from the oil and in which gas is produced separately from the oil;

(iii) a well from which gas is or is capable of being produced from a reservoir in association with no more than one cubic metre of oil for every 3,500 cubic metres of gas produced from the reservoir; or

(iv) any other well that may be classified by the minister pursuant to clause 17(1)(l) of the Act as a gas well for the purposes of the Act and these regulations;

(r.1) **"good production practice"** means production of oil or gas from a well at a rate not governed by a maximum allowable rate of production but limited to what can be produced on the basis of technical parameters without adversely and significantly affecting:

(i) the ultimate recovery of oil or gas; or

(ii) the opportunity of other owners to obtain their share of production from the pool;

(s) **"group"** means two or more wells producing into individual storage facilities and reported, with the approval of the minister, on a single production and disposition report;

(s.1) **"horizontal well"** means:

(i) a well:

(A) with a portion drilled at an angle of at least 80 degrees from vertical, measured from a line connecting the initial point of penetration into the productive zone to the end point of the wellbore in the productive zone;

(B) with a minimum wellbore length of 100 metres, measured from the initial point of penetration into the productive zone to the end point of the wellbore in the productive zone; and

(C) that is approved for the purposes of this clause; or

(ii) any other well approved for the purposes of this clause;

(t) **"multi-zone well"** means a well for the segregated production or injection from or into more than one zone through the same well bore;

(u) **"nomination"** means a statement made by a purchaser showing the amount of oil and gas he has a definite and bona fide need to purchase during a given period;

(u.1) **"occupied dwelling"** means a building occupied by a person on a temporary or permanent basis;

(v) **"oil"** means crude petroleum oil and any other hydrocarbon, regardless of density, that is or is capable of being produced from a well in liquid form, but does not include condensate;

(w) **"oil shale core hole"** means any hole drilled into oil shale for the purpose of obtaining geological information or recovering a core of the oil shale;

(x) **"oil well"** means any well capable of producing oil other than a gas well;

(y) **"operator"** means:

(i) a person who, as owner, licensee, lessee, sublessee or assignee, has the right to carry on drilling, construction, operation, decommissioning or abandonment of a well or facility and the reclamation of the well or facility site;

(ii) a contractor who on behalf of the person mentioned in subclause (i) engages in any of the activities described in that subclause; or

(iii) the person designated by the minister as the operator of the well or facility;

(z) **"person"** includes a corporation, company, government, government agency, crown corporation, syndicate, trust, firm, partnership, co-owner or party and the successors, heirs, executors, administrators or other legal representatives of any such person;

(aa) **"pipeline"** means a pipe or system of pipes for the transportation of:

(i) oil or gas; or

(ii) water or other fluids incidental to or used in the production of oil or gas;

and includes tanks, tank batteries, pumps, compressors, racks and storage, loading and other terminal facilities and all real property necessary for the pipeline or used in connection with the pipeline and all other real and personal property required for the purpose of the pipeline or used in connection with or incidental to the pipeline, but does not include refining or marketing pipelines situated wholly within a plant property or gas distribution pipelines situated downstream of a pressure regulator in a city, town, village or hamlet;

(aa.01) **"processing equipment"** means equipment used for the treatment and extraction of components, including water, gas, liquids and solids, from produced fluids, natural gas or crude oil;

(aa.1) **"productive horizontal section"** means the portion of a horizontal well that is open to production from the subsurface formation;

(bb) **"provincial highway"** means a provincial highway as defined in *The Highways and Transportation Act*;

(bb.1) **"public facility"** means a public building or location where the presence of the public can be anticipated, including a hospital, place of business, campground, school or recreational facility or other building or location created for the use of the public;

(cc) **"public highway"** means a public highway as defined in *The Highways and Transportation Act* but does not include a provincial highway;

(cc.1) **"public notice"** means a notice published in the manner set out in section 108.9 and, if the minister considers it necessary, in any other manner specified by the minister;

(cc.2) **"reclamation"** means the process of:

(i) decontaminating, excavating, removing, sequestrating, encapsulating, immobilizing, attenuating, degrading, processing or treating the contaminants in the soil or water in a manner so that, in the opinion of the minister, the contaminants no longer pose a threat or risk to human health, public safety, property or the environment; and

(ii) re-contouring, landscaping, replacing or replenishing the topsoil and re-vegetating the surface of the soil so that it is compatible with its surroundings;

(dd) **"segregate"** means to confine each fluid in a well to the proper zone or flow channel of that fluid so that the fluid is separated from all fluids in any other zone or flow channel;

(ee) **"separator"** means an apparatus for separating liquid and gas at the surface as they are produced from a well;

(ff) **Repealed.** 13 Sep 91 SR 79/91 s3.

(gg) **"structure test hole"** means any hole drilled for the purpose of obtaining geological and structural information to a point below the glacial drift that is no deeper than the base of the Second White Specks horizon, but does not include:

(i) any hole drilled that penetrates a horizon that, in the opinion of the department, is capable of producing oil or natural gas in commercial quantities; or

(ii) any hole drilled for seismic testing;

(gg.1) **"surface improvement"** means the following:

(i) a railway;

(ii) an above-ground pipeline;

(iii) a canal;

(iv) an above-ground power, telephone or other utility line;

(v) a road allowance;

(vi) a surveyed roadway;

(vii) an aircraft runway or taxiway;

(gg.2) **"temporary facility"** means a facility that is used for any oil and gas operations and that is operated for less than one year;

(hh) **"treater"** means an apparatus for separating oil, gas and water at the surface as they are produced from a well;

(ii) **"transporter"** means a person who transports oil or gas produced from a pool to a point outside the pool or to a purchaser within a pool;

(ii.001) **"unreclaimed site"** means a site for which an acknowledgement of reclamation has not been issued pursuant to subsection 44(4);

(ii.002) **"urban centre"** means a city, town, village or hamlet with not fewer than 50 separate occupied dwellings;

(ii.01) **"vertical well"** means any well that is not a horizontal well;

(ii.1) **"waste processing facility"** means any facility that is constructed and operated for the purpose of containing, storing, handling, treating, processing, recovering, reusing, recycling, destroying or disposing of oil and gas waste;

(ii.2) **"water body"** means:

(i) a body of water; or

(ii) an area where water flows or is present, whether the flow or the presence of water is continuous, seasonal or intermittent or occurs only during a flood;

(jj) **Repealed.** 25 May 2007 SR 38/2007 s3.

(kk) **"water-oil ratio"** or **"WOR"** means the ratio of the number of cubic metres of water produced from a given source in a given period of time to the number of cubic metres of oil produced from that source in that period of time;

(ll) **"well"** means:

(i) any opening in the ground made within Saskatchewan from which any oil, gas, oil and gas or other hydrocarbon are, have been or are capable of being produced from a reservoir;

(ii) any opening in the ground that is made for the purpose of:

(A) obtaining water to inject into an underground formation;

(B) injecting any substance into an underground formation;

(C) storing oil, gas or other hydrocarbons underground; or

(D) monitoring reservoir performance and obtaining geological information; or

(iii) any opening in the ground made for informational purposes pursuant to The Subsurface Mineral Regulations, 1960 being Saskatchewan Regulations 541/67;

but does not include seismic shot holes, structure test holes or oil shale core holes;

(ll.1) **"working interest participant"** means a person who owns a legal or beneficial interest in a well or facility pursuant to an agreement that relates to the ownership of the well or facility;

(mm) **"zone"** means any approved interval definable with respect to a geological formation or unit.

15 Mar 85 cO-2 Reg 1 s2; 13 May 88 SR 32/88 s2; 26 May 89 SR 25/89 s3; 13 Sep 91 SR 79/91 s3; 4 Jly 97 SR 50/97 s3; 16 Sep 2005 SR 88/2005 s3; 25 May 2007 SR 38/2007 s3.

Exclusions from oil and gas waste and inclusions of non-oil-and-gas waste

2.1(1) For the purpose of clause 2(1)(j.2) of the Act, the following are prescribed as being not included within the meaning of oil and gas waste:

(a) sewage;

(b) municipal refuse;

(c) man-made material that is radioactive.

(2) For the purpose of clause 2(1)(j.1) of the Act, physical waste from the following industries is prescribed as non-oil-and-gas waste:

(a) the mining industry;

(b) the electrical energy generating industry;

(c) the chemical and petro-chemical refining industry;

(d) the manufacturing industry;

(e) the agriculture and agri-food, aqua-culture and fishery industries;

(f) the forestry and forestry products industry;

(g) the pulp and paper industry;

(h) the construction industry;

(i) the transportation industry;

(j) the medical and pharmaceutical industry;

(k) the service industry;

(l) the military.

25 May 2007 SR 38/2007 s4.

3 Repealed. 13 Sep 91 SR 79/91 s4.

PART II

4 Repealed. 13 Sep 91 SR 79/91 s5.

5 Repealed. 13 Sep 91 SR 79/91 s5.

PART III
Well Names and Identification of Wells and Facilities

Interpretation of Part

5.1 In this Part and Part IV, **"licence"** means a licence mentioned in Part II of the Act.

13 Sep 91 SR 79/91 s6; 25 May 2007 SR 38/2007 s6.

Well Name Register

6(1) The department shall maintain the record of official well names in a Well Name Register containing:

(a) the name and location of each well;

(b) the name of the licence holder and the licence number;

(c) the name of the drilling contractor; and

(d) the name assigned to the well.

(2) The last name assigned to a well in the Well Name Register is the official name of the well.

15 Mar 85 cO-2 Reg 1 s6; 25 May 2007 SR 38/2007 s7.

Change of well name or name of licence holder

7(1) The holder of a licence who wishes to change the official name of a well shall submit to the department an application for that purpose on an approved form.

(2) **Repealed.** 3 Jly 98 SR 50/98 s3.

(3) A licence holder whose name has changed shall:

(a) give written notice of the change of name to the department; and

(b) if the licence holder is a corporation, provide the department with a copy of the Certificate of Amendment issued by the Director of Corporations pursuant to *The Business Corporations Act*.

(4) A licence holder that is a corporation and that amalgamates with another corporation shall:

(a) give written notice of the amalgamation to the department; and

(b) provide the department with a copy of the Certificate of Amalgamation issued by the Director of Corporations pursuant to *The Business Corporations Act*.

(5) An application to change an official well name pursuant to subsection (1) is to be accompanied by a fee as set forth in Appendix 1.

(6) The minister may, in his discretion, grant or refuse an application to change the official name of a well and if the application is granted the new name is to be entered in the Well Name Register.

15 Mar 85 cO-2 Reg 1 s7; 13 Sep 91 SR 79/91 s7; 3 Jly 98 SR 50/98 s3.

Well name requirements

8(1) The maximum length of a well name, including spaces, is 50 characters.

(2) A well name is required to contain:

(a) the name of the owner of the well or, if there is more than one owner, the owner whose name appears first on the licence issued for the drilling of the well;

(b) the pool as designated by the minister in or adjacent to which the well is located or, if the well is not located in or adjacent to a designated pool, the district in which the well is located; and

(c) the legal subdivision, section, township and range in which the well is located in the order named, indicated by numbers separated by hyphens.

(3) The name of a well replacing another well in the same legal subdivision is required to contain the appropriate letter after the legal subdivision number commencing with the letter "A" for the first replacement well and thereafter in alphabetical sequence.

(4) The name of a well in a designated pool or a designated spacing area in which the target area for the drilling of a well is located on a specific quadrant of a legal subdivision is required to contain before the legal subdivision number:

(a) the letter "A", if the well is located in the south-east quarter of the legal subdivision;

(b) the letter "B", if the well is located in the south-west quarter of the legal subdivision;

(c) the letter "C", if the well is located in the north-west quarter of the legal subdivision;

(d) the letter "D", if the well is located in the north-east quarter of the legal subdivision.

(5) If an additional well is proposed to be drilled on the same target area as a well that is already located or drilled on that target area but for the purpose of obtaining production from a different zone, the name of the proposed additional well is required to contain the letter "T" after the section number.

(6) The name of a well for completion as a multi-zone well is required to contain the letters "MZ" after the section number.

(7) The name of a well for completion as an associated completion is required to contain the letters "As" after the section number.

(8) An application to recomplete:

(a) a single zone well to produce as a multi-zone well; or

(b) a multi-zone well to produce from a single zone;

is to be accompanied by an application to change the well name and a fee as set forth in Appendix 1.

(9) Subject to the approval of the minister, a well name may contain any other particulars that the applicant desires, but the word "number" or any abbreviation of that word is not to precede the numerical identification of the well.

(10) An owner may be identified in an abbreviated form in a well name only if:

(a) the owner submits the proposed abbreviation to the department;

(b) the proposed abbreviation is satisfactory to the minister; and

(c) the abbreviation is the only one for the owner used in any well name.

(11) The minister may approve abbreviations of designated names of pools or districts and only abbreviations so approved are to be used in well names if it is necessary or desirable to abbreviate designated pool or district names.

(12) Wells located in a unitized area are to be identified at the discretion of the minister.

(13) Notwithstanding any other provision of this section, wells drilled for any purpose other than for obtaining oil or gas may, if approved by the minister, be identified in any manner.

(14) If a well is situated:

(a) on a road allowance running east and west, it is deemed to be on the south boundary of the nearest legal subdivision of the section immediately to the north of the road allowance or, if the well is situated on the extension of the boundary line between two legal subdivisions, it is deemed to be situated on the south boundary of the legal subdivision with the lower number;

(b) on a road allowance running north and south, it is deemed to be on the west boundary of the nearest legal subdivision of the section immediately to the east of the road allowance or, if the well is situated on the extension of the boundary between two legal subdivisions, it is deemed to be situated on the west boundary of the legal subdivision with the lower number.

(15) If a well is situated on a road allowance, the designation "R/A" is required to be added before the legal subdivision number as determined in accordance with subsection (14).

(16) If a well is to be directionally drilled or slant drilled, the designation "DD" is required to be added before the legal subdivision number.

(17) If a well is to be horizontally drilled, the designation 'HZ' is required to be added before the legal subdivision number.

15 Mar 85 cO-2 Reg 1 s8; 13 Sep 91 SR 79/91 s8; 4 Jly 97 SR 50/97 s4.

Identification of completed wells and facilities

9(1) In accordance with this section, every licensee of a completed well and every operator of a facility shall identify the well or facility with a conspicuous sign erected at the primary entrance to the well or facility that indicates:

(a) the name and telephone number of the licensee or operator at which the licensee or operator may be contacted; and

(b) the legal description of the surface location of the well or facility.

(2) A licensee or operator shall maintain a sign that is erected pursuant to subsection (1) in a manner that is satisfactory to the minister.

(3) An operator who operates more than one facility at one location may erect one sign to identify all of the facilities at that location.

(4) A licensee who drills more than one well from one surface location shall identify the bottom hole location of each well:

(a) on a sign affixed to the wellhead; or

(b) by any other means satisfactory to the minister to properly identify each well.

(5) In accordance with subsections (6) and (7), the licensee or operator shall post one or more of the following categories of warning symbols:

(a) Category I: Flammable (gas or liquid), Class 3;

(b) Category II: Poison Gas, Class 2.

(6) A Category II warning symbol must only be used if:

(a) a well produces gas containing 10 parts per million or 0.01 moles per kilomole of hydrogen sulphide or greater;

(b) a facility handles gas containing 10 parts per million or 0.01 moles per kilomole of hydrogen sulphide or greater; or

(c) the minister so directs.

(7) A Category I warning symbol must be used for wells or facilities not governed by subsection (6).

(8) Warning symbols must be of the size, design and colour as set forth in Appendix 1.1.

(9) Warning symbols must be posted:

(a) adjacent to all entrances to the developed area of a well or facility; or

(b) if a well or facility has no access roads or developed areas, at the wellhead or facility.

(10) An appropriate warning symbol must be posted on the sign mentioned in subsection (1).

15 Mar 85 cO-2 Reg 1 s9; 25 May 2007 SR 38/2007 s8.

PART IV
Licensing

Licence to drill a well

10 A person who wishes to commence operations for drilling a well shall, prior to the commencement of those operations, submit to the department, together with an application for a licence in duplicate on a form specified by the minister:

(a) a plan of lands:

(i) in duplicate and in a scale that is acceptable to the minister;

(ii) prepared from a survey made by a Saskatchewan Land Surveyor, within the meaning of *The Land Surveyors and Professional Surveyors Act*;

(iii) dated, certified and signed by the surveyor, with his signature duly witnessed;

(iv) showing the exact location of the proposed well site in relation to:

(A) the boundaries of the section;

(B) water bodies;

(C) mines, whether worked or abandoned;

(D) existing wells and abandoned wells;

(E) roadways, road allowances, railways, pipelines, power lines and any other right of way;

(F) aircraft runways or taxiways; and

(G) structures of every kind;

within a radius of 200 metres of the proposed well site;

(v) showing the elevation of the well site and the locations of:

(A) the surface lease boundaries;

(B) the access road; and

(C) the target area;

(vi) having all measurements and distances tied to:

(A) a surveyed monument or evidence of a surveyed monument in a surveyed area; or

(B) a surveyed base line or some prominent topographical feature acceptable to the minister in an unsurveyed area;

(vii) having an entry in its legend stating the true East/West and North/South co-ordinates of the well site from its initial reference section corner monument used in the survey;

(vii.1) having an entry in its legend stating the latitude and longitude of the well site;

(viii) showing for any directionally drilled, slant drilled or horizontally drilled well:

(A) the proposed casing point and the proposed bottom-hole location:

(I) in relation to the boundaries of the section; and

(II) in relation to the well site by rectangular co-ordinates; and

(B) the proposed trajectory; and

(ix) showing existing wells and abandoned wells within the drainage units from which the well is intended to produce.

(b) a fee set forth in Appendix 1.

15 Mar 85 cO-2 Reg 1 s10; 13 Sep 91 SR 79/91 s9; 3 Jly 98 SR 50/98 s4; 25 May 2007 SR 38/2007 s9.

Temporary facilities not upstream facilities

10.1 For the purposes of clause 2(1)(n.2) of the Act, **"upstream facility"**does not include a temporary facility.

25 May 2007 38/2007 s10.

Licence to construct, operate or upgrade an upstream facility

10.2 Before commencing construction of a new upstream facility or upgrading an upstream facility, the person intending to construct or upgrade the facility shall submit to the minister all of the following:

(a) an application for a licence in duplicate on a form specified by the minister;

(b) a plan of lands that:

(i) is in duplicate and in a scale that is acceptable to the minister;

(ii) is prepared from a survey made by a Saskatchewan land surveyor, within the meaning of *The Land Surveyors and Professional Surveyors Act*;

(iii) is dated, certified and signed by the Saskatchewan land surveyor mentioned in subclause (ii), with the signature duly witnessed;

(iv) shows the exact location of the proposed facility in relation to the following that are within a radius of 500 metres of the proposed facility:

(A) the boundaries of the lands;

(B) any water body;

(C) any mines, whether worked or abandoned;

(D) any existing wells and abandoned wells;

(E) any existing upstream facilities and waste processing facilities;

(F) any surface development, occupied dwellings, public facilities and urban centres;

(G) any domestic water supply well;

(H) any other structures and buildings;

(v) shows the elevation of the facility and the locations of:

(A) the surface lease boundaries; and

(B) the access road;

(vi) has all measurements and distances tied to:

(A) a surveyed monument or evidence of a surveyed monument in a survey area; or

(B) a surveyed base line or some prominent topographical feature acceptable to the minister in an unsurveyed area;

(vii) has an entry in its legend stating the true East/West and North/South co-ordinates of the centre point or what is reasonably believed to be the centre point of the facility from its initial reference section corner monument used in the survey; and

(viii) has an entry in its legend stating the latitude and longitude of the centre point or what is reasonably believed to be the centre point of the facility;

(c) an emergency response plan;

(d) a process flow diagram;

(e) any other information requested by the minister;

(f) a fee as set out in Appendix 1.

25 May 2007 38/2007 s10.

Fee for first-time applicant

10.3 A first-time applicant must pay a fee of $10,000 to the minister for deposit into the orphan fund.

25 May 2007 38/2007 s10.

Eligibility requirements to be issued a licence

10.4(1) No person is eligible to be issued a licence for a well or upstream facility unless:

(a) that person:

(i) is a working interest participant; or

(ii) in the case of a well mentioned in subclause 2(ll)(i) is a working interest participant and is entitled to the right to produce the oil or gas from the well or to the right to drill or operate the well; and

(b) if that person is carrying on a business, that person's business is registered to lawfully carry on business in Saskatchewan.

(2) No licence shall be issued to, or transferred to or from, a person if:

(a) that person:

(i) has not paid the required fee pursuant to section 10.3 if the person is a first-time applicant;

(ii) has not paid the required annual orphan fund levy pursuant to section 18.6; or

(iii) owes any money to the Crown in right of Saskatchewan; or

(b) that person's business is not registered to lawfully carry on business in Saskatchewan.

25 May 2007 38/2007 s10.

Licensee or working interest participant is liable

10.5(1) Costs of abandonment and reclamation of a well, upstream facility, associated flowline and the respective site mentioned in subsection 18.3(2) are the responsibility of:

(a) the licensee; or

(b) if the licensee is insolvent, bankrupt or cannot be located or is incapable of operating the well or upstream facility as required by the Act or these regulations, the working interest participants.

(2) Abandonment and reclamation of a well, upstream facility, associated flowline and the respective site does not relieve the licensee or the working interest participants of the responsibility to undertake further abandonment or reclamation work or from the responsibility for the costs of doing that work.

25 May 2007 38/2007 s10.

Licence to deepen or respud an abandoned well

11(1) Unless otherwise approved, a person who wishes to commence operations for re-entering and re-drilling an abandoned well or drilling a well with a different depth, length or configuration than previously licensed shall submit to the department:

(a) a new application for a licence in quadruplicate on an approved form; and

(b) a fee as set forth in Appendix 1.

(1.1) The application and fee mentioned in subsection (1) must be submitted prior to the commencement of the operations.

(2) If it is necessary to abandon a well because of mechanical failure or obstruction in the hole prior to the completion of drilling but subsequent to the setting of a surface casing, a new well may be drilled in the same target area only if:

(a) approval of the abandonment and permission to respud have been obtained from the minister; and

(b) a new application in quadruplicate on an approved form for a licence is submitted to the department and accompanied by:

(i) a new plan in duplicate showing the location of the new well in relation to the original well; and

(ii) a fee as set forth in Appendix 1.

(3) If it is necessary to abandon a well because of an obstruction in the hole prior to the setting of surface casing, a new well may be drilled under the existing licence within the same target area only if:

(a) approval of the abandonment and permission to respud have been obtained from the minister; and

(b) a plan showing the location of the new well is forwarded to the department as soon as possible.

15 Mar 85 cO-2 Reg 1 s11; 13 Sep 91 SR 79/91 s10.

Structure testing, etc.

12 A person who wishes to commence operations for drilling a structure test hole or an oil shale core hole shall, before commencing those operations, submit to the minister:

(a) an application for a permit in duplicate on a form specified by the minister; and

(b) a fee as set out in Appendix 1.

25 May 2007 SR 38/2007 s11.

Licence to drill on road allowance

13(1) A person who wishes to commence operations to drill a well on a road allowance shall, prior to the commencement of those operations and, in addition to the requirements of section 10, submit to the department evidence of his right to drill into and produce the oil or gas from the drainage unit nearest to the proposed road allowance well.

(2) The minister shall not issue a licence to drill on a provincial highway unless the applicant has obtained written approval for each well site from the Minister of Highways and Transportation and a copy of the approval has been forwarded to the department.

(3) The minister shall not issue a licence to drill on a public highway unless the applicant has obtained written approval for each well site from:

(a) the secretary of the council of the rural municipality in which the well sites are located; and

(b) the Minister of Highways and Transportation;

and copies of the approvals have been forwarded to the department.

15 Mar 85 cO-2 Reg 1 s13.

Recompletion

14 A person who wishes to commence recompletion operations shall, prior to the commencement of those operations, submit an application for permission to plug back a well to the department on an approved form.

15 Mar 85 cO-2 Reg 1 s14.

General licensing provisions

15(1) In an area in which there may be more than one productive zone, an applicant shall set out in his application for a licence the definite zone to which the well will be drilled and the zones from which the well is expected to produce.

(2) The minister may cancel a licence:

(a) in the case of a well, if drilling of the well has not commenced within one year after the licence has been issued;

(b) in the case of an upstream facility, if construction of the upstream facility has not been completed within two years after the licence has been issued; or

(c) if the licensee does not meet the eligibility requirements set out in section 10.4.

(3) If:

(a) there are separately owned tracts or interests in all or part of a drainage unit consisting of Crown lands and freehold lands; and

(b) there is no agreement for pooling of the interests for the development and operation of the drainage unit, nor an order for the pooling of the interests in accordance with subsection 30(5) of the Act;

the minister may refuse to issue a licence in accordance with this Part unless:

(c) the application for a licence is accompanied by written evidence establishing to his satisfaction that special circumstances exist necessitating the issuance of the licence; and

(d) it is expedient and in the public interest to issue the licence;

(e) **Repealed.** 14 Dec 90 SR 96/90 s3.

(4) The minister may impose on a licence any terms and conditions, in addition to those mentioned in subsections (1) to (3), that he considers appropriate.

(5) The minister may amend the terms and conditions previously imposed on an existing licence or may impose new terms and conditions on an existing licence.

(6) Where a person has commenced drilling operations without first obtaining a licence in accordance with this Part, the minister may suspend that person's drilling operations for a period of not less than 24 hours and not more than twice the time interval from the time the well is spudded to the time the licence is issued.

(7) If a licence is suspended or cancelled pursuant to section 12 of the Act:

(a) all rights and privileges conveyed by the licence are suspended or cancelled, as the case may be; and

(b) the responsibility of the licensee and any working interest participant for the well, upstream facility or associated flowline, and the well site or upstream facility site, continues after the suspension or cancellation of the licence with respect to any obligations of the licensee pursuant to:

(i) the Act;

(ii) these regulations;

(iii) any orders made pursuant to the Act; or

(iv) any terms or conditions of the licence.

15 Mar 85 cO-2 Reg 1 s15; 14 Dec 90 SR 96/90 s3; 25 May 2007 SR 38/2007 s12.

16 Repealed. 13 Sep 91 SR 79/91 s11.

Surface access limitations

17(1) A licence does not grant a right of entry onto the surface nor the use of surface lands.

(2) Every person who is granted a licence shall, prior to moving any drilling equipment on the proposed well site, provide the exact location of that proposed well site to the rural municipality in which the well site is to be situated.

15 Mar 85 cO-2 Reg 1 s17; 13 Sep 91 SR 79/91 s11.

Transfer of licence

18 The department shall transfer a licence if:

(a) the minister has provided written consent pursuant to section 10 of the Act for the transfer of the licence;

(b) the transferor submits to the department:

(i) two copies of a completed transfer application in a form specified by the minister;

(ii) a security deposit pursuant to subsection 18.2(2);

(iii) any other information required by the minister; and

(iv) a fee as set out in Appendix 1; and

(c) the transferee meets the eligibility criteria pursuant to section 10.4.

25 May 2007 SR 38/2007 s13.

PART IV.1
Oil and Gas Orphan Fund

Interpretation

18.1 In this Part:

(a) **"depositor"** means a person who, as a licensee or on behalf of a licensee, has deposited an amount with the minister pursuant to section 18.2, and includes the heirs, successors and administrators of that person;

(b) **"fiscal year"** means the fiscal year of the orphan fund set out in section 18.8;

(c) **"orphan"** means a well, upstream facility or associated flowline, or the respective site, if, in the opinion of the minister, a person responsible for the well, upstream facility, associated flowline, well site or upstream facility site:

(i) does not exist;

(ii) cannot be located; or

(iii) does not have the financial means to contribute to the costs of meeting the obligations pursuant to the Act, these regulations, any orders made pursuant to the Act or any terms and conditions of a licence;

(d) **"orphan fund levy"** means the fee to be levied on wells and upstream facilities pursuant to Part III.2 of the Act and calculated and administered in accordance with section 18.6;

(e) **"site"**, when used in reference to a well site, upstream facility site or associated flowline, does not include any part of a site that:

(i) has been designated or re-designated as a contaminated site pursuant to section 11 or 13 of *The Environmental Management and Protection Act, 2002*; or

(ii) is the subject of an order that is made pursuant to section 46 or 47 of *The Environmental Management and Protection Act, 2002*.

25 May 2007 SR 38/2007 s14.

Security deposit for a well or upstream facility

18.2(1) The minister may specify any relevant factors at any time to calculate the amount of a security deposit required to be submitted by the depositor:

(a) at the minister's initiative; or

(b) on application by the depositor.

(2) For the purposes of section 15 of the Act, the minister may require a licensee or a transferor or transferee of a licence to submit a security deposit to the department:

(a) before approving, issuing or transferring a licence;

(b) at any time the licensee fails a licensee liability rating assessment conducted by the minister pursuant to section 18.4; or

(c) at any time if, in the opinion of the minister, the drilling, construction or operation of a well or upstream facility poses a risk described in section 17.01 of the Act or a menace described in section 81.

(3) If the minister determines that the security deposit amount held by the minister is inadequate for the purposes provided for in subsection 15(1) of the Act, the minister may require the licensee to provide any additional amounts that the minister considers necessary to meet those purposes.

(4) A security deposit must be in the form of an irrevocable letter of credit or in any other form satisfactory to the minister.

(5) The minister may require that the security deposit be submitted:

(a) as a lump sum; or

(b) in portions in the amounts and at the times specified by the minister.

(6) On the written request of a depositor, the minister may return the security deposit if the minister is satisfied that the licensee or its agent has met all of the obligations and corrected any infractions, non-compliance, deficiencies, threats or problems specified in subsection 18.3(1) and carried out all of the activities with respect to which the security deposit was provided.

(7) On written request of a depositor, the minister may return part of a security deposit if the minister is satisfied that the licensee or its agent has met all of the obligations and corrected any infractions, non-compliance, deficiencies, threats or problems specified in subsection 18.3(1) and partially carried out all of the activities with respect to which the security deposit was provided.

25 May 2007 SR 38/2007 s14.

Forfeiture of security deposit for a well or upstream facility

18.3(1) The minister may declare any or all of the security deposit to be forfeited to the Crown in right of Saskatchewan if, in the opinion of the minister:

(a) the licensee with respect to the construction, drilling, operation, abandonment or reclamation of a well or an upstream facility has failed to comply with:

(i) the Act;

(ii) any regulations made pursuant to the Act;

(iii) any order issued pursuant to the Act;

(iv) any term or condition of a licence; or

(v) any term or condition of a ministerial approval;

(b) the drilling, construction or operation of a well, upstream facility, associated flowline or the respective site poses a risk described in section 17.01 of the Act or a menace described in section 81;

(c) the licensee:

(i) cannot be located;

(ii) is insolvent, bankrupt or defunct; or

(iii) is incapable of operating the well or upstream facility;

(d) the licensee has failed to submit the security deposit as required by subsection 18.2(2); or

(e) the licensee has failed to submit the specified amount of orphan fund levy within a period specified in subsection 18.6(2).

(2) The minister may apply any or all of the security deposit forfeited pursuant to subsection (1), and any moneys recovered from sales of machinery, equipment or materials pursuant to subsection (5), towards the cost required to:

(a) suspend the operations of and secure a well, upstream facility or the respective sites;

(b) take control of, operate, maintain, monitor, repair or care for a well, upstream facility or the respective sites;

(c) investigate, audit or inspect a well, upstream facility, the respective sites or any area on and off the sites that has been affected as a result of the operation;

(d) conduct environmental site assessment, install monitoring equipment and systems, acquire water, soil and air samples or analyse the samples at a well, upstream facility, the respective sites or any other area on and off the sites that has been contaminated as a result of the operation;

(e) contain, manage, secure, stabilize, excavate, treat, process, handle, transport and dispose of materials, contaminated materials and wastes generated, used or stored at the well, upstream facility, associated flowline or the respective sites;

(f) abandon, decommission, remediate, restore or reclaim a well, upstream facility or the respective sites or any other affected area outside the well, upstream facility or the respective sites;

(g) account, make an inventory of, advertise, sell, transfer, donate or dispose of machinery, equipment or materials on the well, upstream facility or the respective sites;

(h) acquire legal, administrative, engineering, scientific, professional and technical advice, services or work; or

(i) undertake any other activities deemed necessary in the opinion of the minister.

(3) If a person, other than the licensee or the depositor, is authorized by the minister to carry out any of the activities described in subsection (2), the minister may pay any or all of the security deposit to that person for that purpose.

(4) If the security deposit provided by the licensee does not cover the cost or the expense of carrying out the activities specified in subsection (2), the licensee shall pay the difference to the minister on the written demand of the minister and within the period specified by the minister in the written demand.

(5) If the licensee fails to pay the difference within the period specified by the minister in the written demand made pursuant to subsection (4), the minister may do all or any of the following:

(a) use any amount of money in the orphan fund to make up the shortfall if the situation is one to which section 18.5 applies;

(b) recover any portion of the difference from the working interest participants based on their percentage of interest;

(c) in accordance with section 17.06 of the Act, sell any machinery, equipment or materials that are in or on the well, well site, upstream facility or upstream facility site to make up the shortfall.

(6) The minister may deposit any amount of money from the security deposit that has been forfeited pursuant to subsection (1) in the orphan fund at any time.

(7) The minister may deposit any amount of any proceeds recovered or acquired pursuant to subsection (5) in the orphan fund at any time.

(8) Notwithstanding section 18.5, the minister may withdraw any amount less than or equal to the amount of money that was deposited in the orphan fund pursuant to subsections (6) and (7) at any time for the purpose of covering the cost of activities specified in subsection (2).

(9) On completion of the activities described in subsection (2) and on the written request of a depositor, the minister may return the balance of the forfeited security deposit to the depositor.

25 May 2007 SR 38/2007 s14.

Licensee Liability Rating

18.4(1) In this section, **"LLR"** means the Licensee Liability Rating for a licensee rounded to the nearest hundredth as determined by the minister for a month in accordance with the following formula:

$$\text{LLR} = \frac{\text{AOE} \times \text{Industry Netback} \times \text{Return Period}}{\sum_{\substack{\text{all wells and facilities licensed to a licensee}}} [(\textit{Deemed Abandonment Liability} + \textit{Deemed Reclamation Liability}) \times \text{PVS}]}$$

where:

AOE is the amount determined in accordance with subsection (3);

Deemed Abandonment Liability is the deemed liability associated with the abandonment of a well or upstream facility;

Deemed Reclamation Liability is the deemed cost associated with the reclamation of a well site or upstream facility site;

Industry Netback is the three-year industry average netback as determined by the minister, expressed in dollars per cubic metre and rounded to the nearest penny;

PVS is the present value salvage factor assigned to a well or upstream facility and the site of a well or upstream facility to reflect the timing of abandonment and reclamation and the future value of equipment salvage;

Return Period is, subsection to subsection (2), the average payback period for a licensee's well taking into consideration the expected rate of return on the licensee's investment and the production decline rate of the well.

(2) Unless determined by the minister to be another period, the return period for the purposes of subsection (1) is deemed to be three years.

(3) For the purposes of the formula set out in subsection (1), AOE is the annual oil equivalent production volume attributed to a licensee in cubic metres as determined by the minister in accordance with the following formula rounded to the nearest tenth:

$$AOE = AOP + [(AGP/C_f) \times (1-S_f)]$$

where:

AOP is the sum of the most recent 12 months of oil production in cubic metres rounded to the nearest tenth that is attributable to the licensee's wells;

AGP is the sum of the most recent 12 months of gas production in thousand cubic metres rounded to the nearest tenth that is attributable to the licensee's wells;

C_f is a conversion factor that, when divided into a gas production volume in thousand cubic metres, provides the economic equivalent volume of oil in cubic metres and is a rolling three-year industry average expressed to the nearest ten-thousandth;

S_f is a shrinkage factor that expresses the percentage of total provincial gas production that is not sales gas and is a rolling three-year industry average expressed to the nearest hundredth.

(4) The minister shall determine the Industry Netback, C_f, S_f, Deemed Abandonment Liability, Deemed Reclamation Liability and PVS values mentioned in this section on an annual basis as soon as possible after the beginning of each fiscal year.

(5) Notwithstanding subsection (4), the minister may make any changes to values pursuant to subsection (4) at any time the minister considers it necessary to do so.

(6) Notwithstanding subsection (4), if site specific assessments have been conducted, the minister may use the results of those assessments to determine the reclamation liability for a site rather than the Deemed Reclamation Liability mentioned in this section.

(7) If a licensee has an LLR of less than 1.00, the licensee:

(a) is to be considered as having failed the licensee liability rating conducted pursuant to this section; and

(b) shall submit any amount of security deposit reasonably required by the minister pursuant to subsection 18.2(2).

(8) Notwithstanding subsection (4), a licensee may apply to the minister to have other values used in place of those determined pursuant to subsections (4) and (5) for the calculation of the licensee's monthly licensee liability ratings.

(9) The minister may or may not approve an application pursuant to subsection (8).

25 May 2007 SR 38/2007 s14.

Use of the orphan fund

18.5(1) The minister is authorized to use the money in the orphan fund for the following purposes:

(a) to reimburse the department or a person authorized by the minister:

(i) for undertaking the abandonment, decommissioning or reclamation of an orphan well, an orphan upstream facility and the respective sites; or

(ii) for undertaking any other activities that the minister considers necessary and that are associated with the orphan well, the orphan upstream facility and the respective sites mentioned in subclause (i);

(b) to pay the costs to carry out the following activities:

(i) the abandonment or decommissioning of all or part of the flowline associated with the orphan well or orphan upstream facility and the reclamation of the area around the flowline or any other associated activities that the minister considers necessary with respect to them;

(ii) any action specified in section 17.04 of the Act;

(iii) the undertaking of any steps to contain and secure a menace if the licensee or operator is missing or not readily identifiable and if, in the opinion of the minister a well, flowline or facility has an impact on or off the site that is a menace to an oil, gas or fresh-water-bearing formation or to life or property;

(c) to pay for technical, administrative, legal or other costs related to acquiring professional services that are incurred in pursuing reimbursement for the costs mentioned in clauses (a) and (b) from the person responsible for paying them;

(d) to pay for a defunct working interest participant's share of suspension, decommissioning, abandonment and related reclamation costs if those costs:

(i) in the opinion of the minister, are reasonable and necessary to do the work; and

(ii) have been incurred by a working interest participant;

(e) to pay for any other costs directly related to the administration and operation of the orphan fund; and

(f) to pay for any expense related to the advisory committee that is approved by the minister, including any expense incurred pursuant to subsection 18.7(6).

(2) The minister may determine when money in the orphan fund may be used for the purposes mentioned in subsection (1).

(3) The minister shall consult with the fund advisory committee with respect to the manner generally in which the purposes of the orphan fund are carried out.

(4) Nothing in this Part requires the minister to consult with the fund advisory committee respecting the use of a security deposit or equipment and materials forfeited pursuant to subsection 18.3(2) or (5).

25 May 2007 SR 38/2007 s14.

Orphan fund levy

18.6(1) A licensee shall pay an orphan fund levy for each fiscal year, as required by clause 20.98(c) of the Act, calculated in accordance with the following formula:

Orphan fund levy = A/B x Annual Budget

where:

A is the licensee's liability for all upstream facilities, wells and unreclaimed sites licensed to the licensee, as calculated at a date and in a manner specified by the minister;

B is the sum of the upstream oil and gas industry's liability for all licensed upstream facilities, wells and unreclaimed sites, as calculated at a date and in a manner specified by the minister; and

Annual Budget is the amount that is required to conduct work specified in subsection 18.5(1) for a fiscal year as determined by the minister after any consultation with the fund advisory committee that the minister considers necessary.

(2) A licensee shall pay the amount of the orphan fund levy not later than the 30th day following the mailing date shown on the notice sent by the department.

(3) If a licensee does not pay the levy within the period prescribed in subsection (2), the amount of the levy is a debt due to the Crown in right of Saskatchewan and may be recovered by the minister in any manner authorized by *The Financial Administration Act, 1993* or in any other manner authorized by law.

(4) The minister may recover all or part of the money expended from the orphan fund for the purpose of carrying out any of the activities mentioned in clauses 18.5(1)(a) to (d):

(a) from the licensee;

(b) from the working interest participants based on their percentage of interest;

(c) from any other person whom the minister considers responsible for the well, well site, facility or facility site; or

(d) from the proceeds of the sale of any machinery, equipment or materials that were forfeited pursuant to section 17.06 of the Act.

(5) Pursuant to subsection (4), the minister shall deposit any amount of money or proceeds recovered pursuant to subsection (4) in the orphan fund.

(6) The minimum amount to be retained in reserve in the orphan fund is $2,000,000.

(7) In determining the Annual Budget mentioned in subsection (1), the minister shall provide for a total levy that will be sufficient, in the minister's opinion, to cover:

(a) the anticipated costs mentioned in subsection 18.5(1) for the fiscal year; and

(b) any surplus for emergency or contingencies and non-budgeted expenditures.

(8) After any consultation with the fund advisory committee that the minister considers necessary, the minister may adjust the Annual Budget mentioned in subsection (1) in order to maintain the minimum amount specified in subsection (6).

25 May 2007 SR 38/2007 s14.

Fund advisory committee

18.7(1) The minister may appoint as members of the fund advisory committee:

(a) four persons nominated by the oil and gas industry associations that, in the opinion of the minister, represent the general and diverse interests of the oil and gas industry in Saskatchewan; and

(b) two other persons.

(2) Each member of the fund advisory committee holds office for a term of two years and until a successor is appointed.

(3) If a member of the fund advisory committee nominated by an oil and gas industry association resigns or is no longer able to serve, that oil and gas industry association may:

(a) nominate another person to be a member for the remainder of the term of the former member; or

(b) choose to have the former member's position remain vacant until the end of the term of the former member.

(4) A member of the fund advisory committee is eligible to be reappointed as a member.

(5) The members of the fund advisory committee shall:

(a) assist the minister in the development of an annual program to abandon orphan wells and upstream facilities and the respective sites by advising on the determination and selection of orphan wells and upstream facilities for that program;

(b) provide the minister with advice and expertise in the development of the Annual Budget described in subsection 18.6(1), for the payment of the costs associated with the annual abandonment program mentioned in clause (a); and

(c) make recommendations to the minister respecting the amount of the Annual Budget described in subsection 18.6(1) for a fiscal year.

(6) Members of the fund advisory committee are entitled to reimbursement for their expenses incurred in the performance of their responsibilities in accordance with rates paid to members of the public service of Saskatchewan.

25 May 2007 SR 38/2007 s14.

Fiscal year

18.8 For the purposes of clause 20.98(k) of the Act, the fiscal year of the fund is April 1 of one year to March 31 of the following year.

25 May 2007 SR 38/2007 s14.

PART V
Prohibited Drilling

Prohibited areas - drilling

19(1) Unless otherwise approved by the minister, no person shall drill any well, structure test hole or oil shale core hole within:

(a) 75 metres from the right of way of any surface improvement other than a surveyed roadway or road allowance; or

(b) 40 metres from the right of way of a surveyed roadway or road allowance or an underground utility, other than an underground utility owned or operated by the licensee or that services the licensee's well or facility.

(2) Unless otherwise approved by the minister, no person shall carry on a drilling operation if the drilling rig or any associated equipment is located within 100 metres of:

(a) a water body;

(b) an occupied dwelling;

(c) a public facility; or

(d) an urban centre.

(3) No person shall drill on a road allowance in a location that interferes with public travel.

(4) No person shall drill a well on the intersection of two road allowances.

25 May 2007 SR 38/2007 s15.

Potash restricted drilling areas

20(1) In this section:

(a) **"potash disposition holder"** means:

(i) a person, other than the Crown, that operates a mine to extract, recover or produce potash and that:

(A) owns a fee simple interest in potash; or

(B) pursuant to a lease or other instrument granted by a person other than the Crown, has the right to extract, recover or produce potash; or

(ii) the holder of a Crown disposition respecting potash pursuant to *The Crown Minerals Act*;

(b) **"potash restricted drilling area"** means a potash restricted drilling area established pursuant to subsection (2).

(2) The minister may make orders establishing any area of land as a potash restricted drilling area for the purpose of restricting the drilling of wells near potash mines.

(3) No person shall drill a well within a potash restricted drilling area without first:

(a) obtaining the written approval of the minister; and

(b) obtaining the written consent of every potash disposition holder whose potash is located within the potash restricted drilling area and submitting a copy of the consent to the department.

(4) The consent mentioned in subsection (3) is not to be unreasonably withheld by a potash disposition holder.

2 Jne 95 SR 48/95 s3.

Further restrictions in commercial potash areas

21(1) Notwithstanding section 20, drilling for oil or gas below the top of the Prairie Evaporite is restricted in areas that the minister designates as commercial potash areas.

(2) The minister may establish protective measures applicable to the restricted areas designated by him pursuant to subsection (1) with respect to drilling, completion or abandonment of any well, and the following minimum measures are applicable:

(a) if drilling is to penetrate below the top of the Prairie Evaporite:

(i) a protective string of casing is to be set at the top of the Prairie Evaporite with sufficient cement to ensure that the lower 60 metres is securely anchored;

(ii) drilling fluid is to be replaced with oil;

(iii) in lieu of meeting the requirements of subclauses (i) and (ii), a salt saturated drilling fluid may be used;

(iv) on completion of drilling, a caliper survey of the Prairie Evaporite is to be taken;

(v) on completion of drilling within a commercial potash area designated pursuant to subsection (1), a directional survey is to be taken from the lowest point of the well in the Prairie Evaporite to the top of the well and the owner shall immediately submit a report in writing to the department setting forth the manner in which the survey was made and the results of it and shall attach to the report a true copy of the survey;

(b) to complete a well as an oil or gas well below the Prairie Evaporite and to effectively shut off all communications between zones:

(i) production casings are to be cemented in two stages:

(A) stage 1 is to be from the total depth to 30 metres above the top of the Prairie Evaporite and is to consist of brine saturated cement;

(B) stage 2 is to be from 30 metres above the top of the Prairie Evaporite to the surface; and

(ii) a temperature log or cement log is to be run in order to evaluate the casing cement job;

(c) to abandon a well drilled into or below the Prairie Evaporite:

(i) the method prescribed by the minister is to be followed; and

(ii) if the depth of the well is less than 30 metres below the base of the Prairie Evaporite:

(A) a continuous brine saturated cement plug is to be set from the bottom of the well to 150 metres above the top of the Prairie Evaporite; and

(B) the cement plug is to be probed for after waiting at least eight hours for the cement to harden and is to be able to withstand a force of 18 kilonewtons;

(iii) if the depth of the well is more than 30 metres below the base of the Prairie Evaporite:

(A) a first cement plug of not less than 30 metres is to be set immediately below the bottom of the Prairie Evaporite;

(B) a second plug is to be set directly on top of the first plug and made of sufficient brine saturated cement to ensure a continuous plug of 150 metres above the top of the Prairie Evaporite; and

(C) after each plug is set it is to be probed for after waiting a minimum of eight hours for the cement to harden and it is to be able to withstand a force of 18 kilonewtons;

(iv) the remainder of the hole is to be abandoned in accordance with the dry hole abandonment provisions of subsection 36(2).

15 Mar 85 cO-2 Reg 1 s21.

22 Repealed. 2 Jne 95 SR 48/95 s4.

23 Repealed. 25 May 2007 SR 38/2007 s16.

PART VI
Approval of Drilling and Well Completion Operations and Facility Construction and Operation

Notification of spud-in

24 An operator shall notify the appropriate field office of the department of the spud-in of a well within 24 hours after the spud-in takes place.

15 Mar 85 cO-2 Reg 1 s24.

Notice of the completion of upstream facility construction

24.1 The operator shall notify the department of the completion of the construction of the upstream facility on a form satisfactory to the minister immediately after the completion.

25 May 2007 SR 38/2007 s18.

Variation in drilling program

25(1) Subject to subsection (2), no operator shall depart from or vary a program of drilling operations approved by a licence mentioned in the Act without the prior written consent of the minister.

(2) In case of an emergency in which immediate departure from or variation in the program mentioned in subsection (1) is necessary, the departure or variation may be made to the extent that it is necessary, and in that case the operator shall:

(a) first immediately notify the department of the departure or variation by the most expedient means available; and

(b) confirm the first notification with a notification in writing.

15 Mar 85 cO-2 Reg 1 s25; 13 Sep 91 SR 79/91 s17.

Multi-zone wells

26(1) An application for approval to complete a well as a multi-zone well is to be submitted to the department on an approved form and is to contain an outline of the current completion status of the well and the general manner in which, if the application is granted, the fluids from each zone or pool will be segregated.

(2) The owner of a multi-zone well shall, within 30 days after the well has been completed in more than one pool, advise the department of the effective date of each completion and submit to the department a diagram showing:

(a) the type and make of each component of the subsurface installation;

(b) the depth below a stated reference in the well of each component of:

(i) the subsurface installation;

(ii) the casing;

(iii) liner and tubing;

(iv) setting depths and sizes;

(v) the upper and lower limits of the porous intervals;

(vi) fluid interfaces of each completion zone and the perforated intervals; and

(c) the flow channels for the fluids.

(3) Subject to subsection (4), the owner of a multi-zone well shall not:

(a) modify, or cause or permit to be modified, the subsurface installation or producing interval of the well; or

(b) conduct remedial work on the well;

unless he first obtains approval in writing from the minister.

(4) When an operation mentioned in subsection (3) is necessary to obtain segregation, the owner may obtain oral approval from a representative of the minister.

15 Mar 85 cO-2 Reg 1 s26.

Application of sections 27 to 30

26.1 Sections 27 to 30 apply only to vertical wells.

13 Sep 91 SR 79/91 s18.

PART VII
Drainage Units, Target Areas and Qualification for Allowables

Oil and gas well drainage units

27(1) Subject to section 27.1, with respect to oil wells, where no drainage units have been established for a field, pool or area, a drainage unit:

(a) in a territory surveyed into sections in accordance with *The Land Surveys Act* is one legal subdivision; and

(b) in unsurveyed territory is a parcel of land containing 16 hectares more or less which, if surveyed in accordance with *The Land Surveys Act*, would become a legal subdivision.

(2) Subject to section 27.1, with respect to gas wells, where no drainage units have been established for a field, pool or area, a drainage unit:

(a) in a territory surveyed into sections in accordance with *The Land Surveys Act* is one section; and

(b) in unsurveyed territory is a parcel of land containing 259 hectares more or less which, if surveyed in accordance with *The Land Surveys Act*, would become a section.

(3) **Repealed.** 14 Dec 90 SR 96/90 s4.

(4) **Repealed.** 14 Dec 90 SR 96/90 s4.

(5) **Repealed.** 14 Dec 90 SR 96/90 s4.

15 Mar 85 cO-2 Reg 1 s27; 14 Dec 90 SR 96/90 s4.

Minister's orders re drainage units

27.1(1) If there is a conflict between a minister's order made pursuant to section 17 of the Act to establish or change drainage units and the establishment of drainage units pursuant to subsection 27(1) or (2):

(a) the minister's order prevails; and

(b) the operation of subsection 27(1) or (2), as the case may be, is suspended with respect to the subject matter of the minister's order.

(2) The minister may require public notice to be given of a proposal to establish or change drainage units by a minister's order pursuant to section 17 of the Act.

(3) An applicant for a minister's order pursuant to section 17 of the Act to establish or change drainage units shall submit to the department a written application that contains any information which the minister may require.

14 Dec 90 SR 96/90 s5; 13 Sep 91 SR 79/91 s19.

Target areas and qualifications for allowables

28(1) In order to qualify for a maximum allowable rate of production based on a drainage unit as described in subsection 27(1), an oil well is to be completed within a target area which is inside the drainage unit and has sides located 100 metres from and parallel to the corresponding sides of the drainage unit.

(2) In order to qualify for a maximum allowable rate of production based on a drainage unit as described in subsection 27(2), a gas well is to be completed within a target area which is inside the drainage unit and has sides located 200 metres from and parallel to the corresponding sides of the drainage unit.

(3) If a drainage unit is established by a minister's order, the minister may further prescribe the target area within which a well is required to be completed in order to qualify for a maximum allowable rate of production based on the area of the drainage unit.

15 Mar 85 cO-2 Reg 1 s28; 14 Dec 90 SR 96/90 s6; 13 Sep 91 SR 79/91 s20; 16 Sep 2005 SR 88/2005 s4.

Application for off-target wells

29(1) Before the minister:

(a) pursuant to section 27 of the Act, makes an order that permits a well to be drilled at a location other than the prescribed target area; or

(b) pursuant to section 17 of the Act, with respect to a well described in clause (a), makes an order that permits completing the well and producing from the well;

the minister may require public notice to be given of the application made for the order.

(2) A written application for an order mentioned in subsection (1) is to be submitted to the department and is to contain any information that the minister may require.

15 Mar 85 cO-2 Reg 1 s29; 14 Dec 90 SR 96/90 s7; 13 Sep 91 SR 79/91 s21.

Off-target penalty

30(1) Unless otherwise approved by the minister, the principles for determining the net productive area for a vertical well not completed within its target area are as follows:

(a) in a drainage unit where the target area is centred on the drainage unit, the net productive area is the remaining area of the drainage unit after the north-south and east-west dimensions of the drainage unit have been reduced by the respective distances equal to the north-south and east-west vectors of displacement of the well from the centre of the target area;

(b) in a drainage unit where the target area is not centred on the drainage unit:

(i) any legal subdivisions that do not form any part of the target area and are located in a position that is in the opposite direction of a vector of displacement are removed from the drainage unit; and

(ii) the net productive area is the remaining area of the drainage unit after the north-south and east-west dimensions of the drainage unit have been further reduced by the respective distances equal to the north-south and east-west vectors of displacement of the well from the centre of the target area.

(2) The production penalty applied to the allowable production of the well is the fraction obtained by dividing the net productive area determined in accordance with subsection (1) by the original area of the drainage unit.

(3) If the intersection of the well with any part of the pool projected vertically to the surface is outside the target area and within 50 metres of the boundary of the drainage unit, the well is not to be completed or placed on production without the approval of the minister.

5 Jan 2001 SR 106/2000 s3.

Application of sections 30.2 to 30.4

30.1 Sections 30.2 to 30.4 apply only to horizontal wells.

13 Sep 91 SR 79/91 s22.

Interpretation for section and sections 30.3 and 30.4

30.2 In this section and in sections 30.3 and 30.4:

(a) **"heavy oil area"** means Spacing Area 'E' established by minister's order, dated September 20, 1968 and as amended from time to time, pursuant to section 17 of *The Oil and Gas Conservation Act*;

(b) **"non-heavy oil area"** means an area that is not a heavy oil area;

(c) **Repealed.** 4 Jly 97 SR 50/97 s5.

13 Sep 91 SR 79/91 s22; 4 Jly 97 SR 50/97 s5.

Set-back distances

30.3 Unless otherwise ordered by the minister pursuant to section 17 or 17.1 of the Act:

(a) for heavy oil areas the productive horizontal section of a horizontal well must be set back:

(i) a minimum of 100 metres from a diversely owned lease boundary; and

(ii) 100 metres from a productive vertical well or from the productive horizontal section of another horizontal well;

(b) for non-heavy oil areas:

(i) the entire productive horizontal section of a horizontal well must be set back a minimum of 100 metres from a diversely owned lease boundary; and

(ii) the productive horizontal section of a horizontal well must be set back a minimum of 150 metres from a productive vertical well or from the productive horizontal section of another horizontal well.

13 Sep 91 SR 79/91 s22; 4 Jly 97 SR 50/97 s6;
16 Sep 2005 SR 88/2005 s5.

Maximum allowable rate of production

30.4(1) The minister shall assign a maximum allowable rate of production to a horizontal well in a non-heavy oil area if:

(a) any point of the productive horizontal section is within 500 metres of a drainage unit that:

(i) is part of a diversely owned lease; and

(ii) contains a well that, in the opinion of the minister, is productive; and

(b) either:

(i) written consents from all owners and fee simple mineral owners in the drainage unit described in clause (a) are not provided to the department; or

(ii) objections that are, in the opinion of the minister, valid in response to a public notice regarding an application for good production practice are received by the department from an owner or a fee simple mineral owner in the drainage unit described in clause (a).

(2) If a horizontal well contravenes the set-back distances mentioned in section 30.3 without an order of the minister allowing it to contravene the set-back distances, the well is not to be completed or placed on production.

(3) If the minister initially allows a horizontal well in a non-heavy area to produce under good production practice and the circumstances change so that clause (1)(a) applies, the minister may assign a maximum allowable rate of production to the horizontal well to be effective:

(a) 24 months from the first day of the month in which production commenced; or

(b) three months from the day the minister assigns the maximum allowable rate of production;

whichever time is the latest.

(4) If:

(a) the minister initially assigns a maximum allowable rate of production to a horizontal well; and

(b) the operator informs the minister that the circumstances have changed;

the minister may allow the well to produce under good production practice.

(4.1) Notwithstanding subsection (1), the minister may allow a horizontal well to produce under good production practice, where the minister is of the opinion that:

(a) if a public notice were provided in accordance with subclause (1)(b)(ii), no valid objection would exist; and

(b) equitable drainage of oil will not be adversely affected.

(5) Notwithstanding subsections (1) to (4.1), if the minister is of the opinion that an operator of a horizontal well is not adhering to good production practice, the minister may assign a maximum allowable rate of production to the horizontal well.

13 Sep 91 SR 79/91 s22; 4 Jly 97 SR 50/97 s7; 5 Jan 2001 SR 106/2000 s4.

PART VIII
Drilling, Completing and Servicing Wells and Decommissioning and Reclaiming Wells and Facility Sites

Deviation and directional surveys

31(1) Unless otherwise approved, the operator of a well shall make deviational surveys during drilling at intervals of not more than 150 metres.

(2) Unless otherwise approved, the operator of a well shall make a directional survey of the well within 30 days after the finished drilling date of the well if the well is:

(a) directionally drilled, slant drilled or horizontally drilled; or

(b) to be placed on production in any of the following circumstances:

(i) the surface location of the well is nearer to the boundary of its target area than two per cent of the depth of the well;

(ii) the surface location of the well is outside its target area.

(3) The operator of a well shall, within 30 days after making a directional survey, submit to the department:

(a) three copies of the survey report; and

(b) three copies of the as drilled survey plan.

(3.1) In the case of a horizontal well, the operator of the horizontal well shall, within 30 days after making a directional survey, submit to the department for each horizontal section drilled:

(a) three copies of the survey report; and

(b) three copies of the as drilled survey plan.

(4) The minister may require the operator of a well to make further deviational or directional surveys and prescribe the manner of making the surveys.

(5) Every as drilled survey plan must:

(a) include all the information for a plan of lands as required pursuant to subclauses 10(a)(i) to (vii) and (ix);

(b) show the actual casing point and the actual bottom-hole location:

(i) in relation to the boundaries of the section; and

(ii) in relation to the well site by rectangular co-ordinates; and

(c) show the actual trajectory for any directionally drilled, slant drilled or horizontally drilled well.

(6) Every survey report or survey plan submitted pursuant to this section must be accurately labelled with the official well name and licence number of the well.

15 Mar 85 cO-2 Reg 1 s31; 13 Sep 91 SR 79/91 s23; 4 Jly 97 SR 50/97 s8; 3 Jly 98 SR 50/98 s5; 5 Jan 2001 SR 106/2000 s4.

Removal of drilling equipment

32(1) Unless otherwise approved, no operator shall remove or cause or permit to be removed any rig, derrick or other drilling equipment from a well unless the well has been completed in accordance with the licence issued pursuant to Part II of the Act or has been abandoned in accordance with these regulations.

(2) No operator shall, during the course of drilling or operation, remove or cause or permit to be removed any casing or other equipment essential to the proper control of a well or structure test hole without first obtaining the approval of the minister.

15 Mar 85 cO-2 Reg 1 s32; 13 Sep 91 SR 79/91 s24.

Surface casing requirements

33(1) The minimum requirements for surface casing are as follows:

(a) surface casing meeting American Petroleum Institute (API) specifications is to be used in all wells and structure test holes unless approval is obtained from the minister:

(i) to use surface casing that does not meet API specifications; or

(ii) to dispense with the use of surface casing;

(b) in every well drilled, sufficient surface casing is to be run to reach a minimum depth of:

(i) 20 metres below the base of the glacial drift;

(ii) 10% of the projected total depth of the well; or

(iii) 75 metres;

whichever is deepest, or as otherwise approved;

(c) surface casing is to be cemented in place by the pump and plug method or by the displacement method, with sufficient cement to circulate to the top of the hole; and

(d) cement is to be allowed to set under pressure for not less than eight hours, or for a longer time that the minister may specify, before the plug is drilled.

(2) If a float collar or guide shoe is used in setting surface casing, pressure at the surface may be released immediately on completion of the cement job but only if there is no bleed back.

(3) No surface casing is to be removed from any well or structure test hole.

(4) The operator of a well completed to produce oil or gas or to inject fluid shall leave the annulus between the second casing string and the surface casing open to the atmosphere.

(5) The annulus vent line is required to:

(a) have a minimum diameter of five centimetres;

(b) extend at least 50 centimetres above ground level;

(c) terminate so that any flow is directed either in a downward direction or parallel to the ground;

(d) contain an open valve; and

(e) have a working pressure rating for all parts of at least 23 kilopascals for every metre of depth of the surface casing.

(6) The minister may exempt a well or area from the requirements of subsections (4) and (5) if, in his opinion, conditions warrant.

15 Mar 85 cO-2 Reg 1 s33; 5 Jne 87 SR 39/87 s4; 4 Jly 97 SR 50/97 s9.

Adequate equipment and production casing

34(1) No equipment is to be used in drilling or completing a well unless it is in good condition, and production casing is to meet American Petroleum Institute, (API) specifications and comply in all respects with the specifications set out in the licence issued for the well and with any further specifications of the minister.

(2) Production casing is required to be cemented by the pump and plug method, the displacement method or any other approved method and the cement is to be set for at least 24 hours and properly tested by the pressure method before the plug is drilled out or the well perforated.

(3) If production casing is run through a porous zone or a zone containing fresh potable water not protected from invasion by other fluids, the zone is to be cemented off by an approved method.

(4) In completing a well, the operator shall adopt methods and install equipment that the minister may specify.

(5) If it appears to the minister that any equipment or casing used in drilling or producing a well is inadequate, defective or hazardous, he may require the replacement or reconditioning of that equipment or casing and may order the suspension of operations until the required action is taken.

(6) Notwithstanding subsection (1), in special circumstances, the minister may approve the use of production casing that does not meet API specifications.

15 Mar 85 cO-2 Reg 1 s34; 5 Jne 87 SR 39/87 s5; 4 Jly 97 SR 50/97 s10.

General plugging and abandonment provisions

35(1) Subject to subsection (4), no well, structure test hole or oil shale core hole is to be permitted to remain unplugged or uncased after it is no longer used for the purpose for which it was drilled or converted.

(2) If, in the opinion of the minister, the operations in respect of a well, structure test hole or oil shale core hole have been discontinued or delayed for an unreasonable period of time, the minister shall notify the owner in writing that the owner shall abandon it within 30 days after the notice is sent, unless sufficient cause is shown to the satisfaction of the minister why it should not be abandoned.

(3) If:

(a) a well, structure test hole or oil shale core hole is not abandoned by the owner within 30 days after the notice mentioned in subsection (2) is sent; and

(b) the owner fails, within 30 days after the notice mentioned in subsection (2) is sent, to show cause to the satisfaction of the minister why the well, structure test hole or oil shale core hole should not be abandoned;

the minister may instruct the department to have it abandoned at the expense of the owner or take other action that the minister considers advisable.

(4) The minister may extend the time for abandonment of any well, structure test hole or oil shale core hole on any terms and conditions that he considers advisable.

(5) Before any work to abandon a completed well is commenced, the operator shall apply for permission to abandon the well on an approved form, and shall deliver the application to the department at least 48 hours prior to the date specified for abandonment in the application.

(6) Abandonment operations mentioned in subsection (5) are not to be commenced until the minister approves the abandonment program or has sent his representative to witness and approve the plugging of the well.

(7) The plugs set in abandoning a well are to be listed on the Well Completion Data Form or the Supplementary Well Completion Data Form that are required to be submitted to the department.

(8) A well drilled into or below the Prairie Evaporite in a commercial potash area designated by the minister pursuant to section 21 is to be abandoned in accordance with the provisions of clause 21(2)(c).

(9) Notwithstanding any other provision of this Part, the minister may approve or substitute in whole or in part any abandonment program.

15 Mar 85 cO-2 Reg 1 s35.

Dry hole abandonment

36(1) Before any work to abandon a dry hole is commenced the operator shall, in the most expeditious manner possible, notify the department of his intention to abandon the well and give details of his abandonment program.

(2) A dry hole in which only the surface casing has been set is to be abandoned by:

(a) isolating each porous zone with a 15 metre plug or by a cement plug across the porous zone extending 15 metres above and 15 metres below the porous zone;

(b) placing a cement plug of a minimum length of 30 metres across the surface casing shoe;

(c) cutting off the surface casing one metre below ground level;

(d) welding a steel plate over the end of the casing in order to completely close off the open end;

(e) filling the interval between the plugs with an approved, heavy, mud-laden fluid;

(f) placing cement in the hole by:

(i) pumping through tubing;

(ii) pump and plug; or

(iii) any other approved method;

(g) ensuring that all plugs:

(i) deeper than 580 metres measured from Kelly Bushing, except the plug at the bottom of the well, are probed for after waiting four hours for the cement to harden and are to be able to withstand a force of 18 kilonewtons; and

(ii) above 580 metres measured from Kelly Bushing are probed for after:

(A) waiting eight hours for cement to harden and are to be able to withstand a force of 18 kilonewtons; or

(B) a waiting time less than eight hours, but only if an official of the department is present to observe that the cement plug withstands a force of 18 kilonewtons;

(h) resetting a plug if it fails to withstand the required force;

(i) resetting a plug if it is found to be displaced a distance that renders it inadequate for the purpose of sealing off or isolating the porous or water-bearing stratum for which it was set; and

(j) if the Prairie Evaporite is encountered in a dry hole located outside a commercial potash area designated by the minister pursuant to subsection 21(1), sealing off the Prairie Evaporite by a cement plug extending from 15 metres above to 15 metres below the Prairie Evaporite or the total depth, whichever is less, and, if the plug is not at the bottom of the well, probing for it after waiting four hours for the cement to harden and ensuring that it is able to withstand a force of 18 kilonewtons.

15 Mar 85 cO-2 Reg 1 s36.

Production well abandonment outside pools

37 If a well is to be abandoned after the production casing has been set and no casing has been pulled and:

(a) the well is not within a pool and there is no danger of contamination of an upper formation by water channelling through the cement behind the casing;

(b) there is no danger of bottom water contaminating the same formation in an offset well; or

(c) the well has not been producing sufficient gas to be called a gas well;

the well is to be abandoned by:

(d) setting a mechanical bridging plug immediately above the perforations or the open hole and a cement plug three metres in length on top of the bridging plug or setting a cement plug by displacement to extend:

(i) from below the perforations to at least 15 metres above the perforations; or

(ii) in the case of an open hole completion, from the bottom of the hole to at least 15 metres above the casing shoe;

and probing for the plug after waiting eight hours for the cement to harden and ensuring that the plug is able to withstand a force of 18 kilonewtons;

(e) testing the bottom plug for proper shut-off;

(f) filling the casing to the surface with an approved fluid;

(g) cutting off the surface casing one metre below ground level and cutting off the production string one metre below ground level;

(h) welding a steel plate in order to completely close off the annulus between the surface casing and the production casing; and

(i) welding a steel plate in order to completely close off the end of the production casing.

15 Mar 85 cO-2 Reg 1 s37.

Production well abandonment inside pools

38(1) If a well is to be abandoned after the production casing has been set and no casing has been pulled and:

(a) the well is within a pool and there is danger of contamination of an upper formation by water channelling through the cement behind the casing;

(b) there is danger of bottom water contaminating the same formation in an offset well; or

(c) the well has been producing sufficient gas to be called a gas well;

the well is to be abandoned by:

(d) setting a cast iron retainer immediately above the highest perforated interval or open hole and squeezing cement into the fluid bearing formation until a satisfactory pressure is obtained indicating proper shut off; and

(e) completing the abandonment program in accordance with clauses 37(e) to (i).

(2) Notwithstanding any other provision of this Part, the minister may, on application, approve special abandonment programs for depleted pools or depleted portions of pools.

15 Mar 85 cO-2 Reg 1 s38; 14 Dec 90 SR 96/90 s9.

Abandonment with production casing recovery

39 If the production casing is being recovered from a well, the well is to be abandoned by:

(a) setting the first plug in accordance with clause 37(d) or 38(1)(d);

(b) the remainder of the hole is to be abandoned in accordance with clauses 36(2)(a) to (f), except that all plugs are to be set before the bottom of the casing being pulled is moved above the lowest part of the interval to be plugged.

15 Mar 85 cO-2 Reg 1 s39.

Structure test hole and oil shale core hole abandonment

40(1) A structure test hole or oil shale core hole drilled to a total depth of more than 180 metres from the surface is to be abandoned by:

(a) placing a cement plug of a minimum length of 15 metres immediately above, below or through each porous zone and, if the operator elects to set a plug through the porous zone, extending the plug from 15 metres below to 15 metres above the zone except where the bottom of the hole is in a porous zone;

(b) if any surface casing has been run, placing a cement plug of a minimum length of 30 metres across the surface casing shoe;

(c) cutting off the casing one metre below ground level;

(d) welding a steel plate over the end of the surface casing in order to completely close off the end; and

(e) if no surface casing has been run, running a cement plug from 15 metres below any potable fresh water sands to the surface.

(2) If a structure test hole or an oil shale core is drilled to a total depth of less than 180 metres from the surface, it is to be abandoned by:

(a) filling the hole with drilling mud and the material obtained during drilling;

(b) inserting a plug one metre in length in the hole to a depth of one metre below the surface;

(c) if the plug inserted in the hole is not made of concrete or cement, placing a plank five centimetres thick, 30 centimetres wide and 60 centimetres long immediately over the plug and filling the hole above the plank with dry cement to a depth of at least 15 centimetres;

(d) tamping and filling the hole to the top; and

(e) spreading any excess drilling mud and material over the surrounding ground.

(3) On completion of a structure test hold or an oil shale core hole program, the owner shall file a record of the abandonment on approved forms.

15 Mar 85 cO-2 Reg 1 s40.

Licence to recover production casing

41(1) No person, other than an operator, shall recover or attempt to recover production casing from an abandoned well without first obtaining a licence to do so issued by the department.

(2) An application for a licence to recover or attempt to recover production casing from an abandoned well is to be made to the department on an approved form and accompanied by:

(a) a surface lease properly executed between the surface owner concerned and the applicant; and

(b) a fee as set forth in Appendix 1;

(c) **Repealed.** 26 May 89 SR 25/89 s7.

15 Mar 85 cO-2 Reg 1 s41; 26 May 89 SR 25/89 s7.

Time requirement before issuance of licence

42 No licence is to be issued for recovering or attempting to recover production casing from an abandoned well until more than 365 days have elapsed since the date of spudding the well or the date of surrender of the lease, permit, drilling reservation or similar disposition, if any, whichever date occurs later.

15 Mar 85 cO-2 Reg 1 s42.

43 Repealed. 25 May 2007 SR 38/2007 s20.

Decommissioning and reclamation of well and facility sites

44(1) Unless otherwise approved in writing by the minister, on completion of abandonment of a well, the licensee shall:

(a) conduct an environmental site assessment in a manner specified by the minister;

(b) decommission the well site to standards specified by the minister;

(c) reclaim the well site to standards specified by the minister; and

(d) reclaim any area that is beyond the boundaries of the well site and that, in the opinion of the minister, has been damaged, contaminated or otherwise adversely affected by the operations of the well.

(2) Unless otherwise approved in writing by the minister, on decommissioning of a facility, the licensee or the operator shall:

(a) conduct an environmental site assessment in a manner specified by the minister;

(b) decommission the facility site to standards specified by the minister;

(c) reclaim the facility site to standards specified by the minister; and

(d) reclaim any area that is beyond the boundaries of the facility site and that, in the opinion of the minister, has been damaged, contaminated or otherwise adversely affected by the operations of the facility.

(3) Within six months after the completion of the activities mentioned in subsection (1) or (2), as the case may be, the licensee or the operator shall submit to the minister a reclamation report and any other information required by the minister in a format specified by the minister.

(4) The minister shall issue an acknowledgement of reclamation if the licensee or operator:

(a) has met the requirements of subsection (1) or (2) to the satisfaction of the minister; and

(b) submits the following to the minister:

(i) a written request for acknowledgement of reclamation on a form specified by the minister;

(ii) a reclamation report specified in subsection (3), that is satisfactory to the minister;

(iii) any other information reasonably required by the minister.

(5) The issuance of an acknowledgement of reclamation does not relieve a licensee, operator or working interest participant of the licensee's or operator's past, present or future environmental liability associated with the well or facility site that is the subject of the acknowledgement of reclamation.

(6) The minister may:

(a) impose any conditions or terms in an acknowledgement of reclamation that the minister considers appropriate; or

(b) cancel an acknowledgement of reclamation if the minister considers it appropriate to do so.

25 May 2007 SR 38/2007 s21.

Notice of intention to rework

45 If an operator wishes to rework or recondition a well, he shall notify the appropriate field office of the department prior to commencement of the reworking or reconditioning.

15 Mar 85 cO-2 Reg 1 s45.

Notice of well completion

46 The operator shall notify the appropriate field office of the department of the completion of a well within 24 hours after the completion.

15 Mar 85 cO-2 Reg 1 s46.

Shooting and chemical treatment of wells

47 If damage is done to a well by perforating, chemically treating or fracturing, the owner shall promptly repair or abandon the well to the satisfaction of the minister if the repair or abandonment is reasonably necessary to prevent waste of oil or gas or to prevent injury or damage to persons or property.

15 Mar 85 cO-2 Reg 1 s47.

Inadequate completion

48 If it appears to the minister that oil, gas or water in a well is not effectively shut off, he may require the taking of tests or remedial measures, or both.

15 Mar 85 cO-2 Reg 1 s48.

Liability for improper abandonment and reclamation

49(1) If abandonment of the well or facility and reclamation of the well site, facility site and associated flowline and any off-site contamination caused by the construction or operation of the well or facility do not meet the standards set out in these regulations or specified by the minister, the minister may require the licensee or operator to remedy the default or defect within the period specified by the minister.

(2) If a licensee or operator does not comply with a requirement of the minister pursuant to subsection (1), the minister may instruct the department to take steps necessary to carry out abandonment and reclamation in accordance with these regulations.

(3) All costs and expenses incurred by the department in carrying out the abandonment and reclamation are a debt due to the Crown in right of Saskatchewan by the licensee or operator and may be recovered in the manner authorized by *The Financial Administration Act, 1993* or in any other manner authorized by law.

25 May 2007 SR 38/2007 s22.

PART IX
Prevention of Losses, Injuries, Damages and Fires

Permissible receptacles for storage

50(1) A pressure vessel that is regulated pursuant to *The Boiler and Pressure Vessel Act, 1999* is exempt from the requirements of this Part other than the provisions respecting the spacing of equipment.

(2) Unless otherwise approved by the minister, no earthen structure or excavation is to be used as a receptacle for crude oil, condensate, refined chemicals or oil and gas waste.

(3) No oil, salt water or other fluids, and no solids produced from a well, are to be stored in storage receptacles that, in the opinion of the minister, are inadequate or likely to cause waste or loss or result in leakage, environmental or volatile organic compound evaporation hazards.

(4) Notwithstanding subsection (3), materials that are used, produced or generated at a well site or facility, other than fresh water and inert solids, must be stored in a manner specified by the minister.

(5) Above-ground tanks, underground tanks, containers, lined earthen excavations and bulk pads must meet the requirements for construction and design standard, scheduled integrity verification, secondary containment, leak detection and weather protection in a manner specified by the minister.

(6) On the application of an operator, the minister may approve storage methods, systems or devices alternative to those specified in this section if, in the opinion of the minister, the level of environmental protection provided is satisfactory.

(7) Unless otherwise approved in writing by the minister, all tanks or batteries of tanks must be surrounded by an impermeable dike that is designed and constructed to the requirements specified by the minister, and the dike is to be maintained in good condition and free from high grass, weeds or combustible material.

25 May 2007 SR 38/2007 s23.

Location of tanks and batteries

51(1) Notwithstanding any conditions of a licence or minister's order and subject to *The Fire Prevention Act, 1992*, an oil tank, or two or more above-ground storage tanks, used to store materials that are used, produced or generated at a well site or facility, other than fresh water and inert solids, must be located so that the outer perimeter of any dike is not less than:

(a) 75 metres from any right of way of any surface improvement, occupied dwelling, permanent farm building, public facility or urban centre, unless otherwise approved by the minister; and

(b) 100 metres from a water body.

(2) Unless otherwise approved by the minister, no oil tank or battery of tanks is to be located:

(a) in the case of an oil tank or battery of tanks installed at a well on or after January 1, 2008, within 50 metres of any well; or

(b) in the case of an oil tank or battery of tanks installed at a well before January 1, 2008, within 45 metres of any well.

25 May 2007 SR 38/2007 s23.

Well or facility housekeeping

52(1) In this section:

(a) **"contaminated product"**includes:

(i) spilled material that has come in contact with another substance so that it cannot be used for the purpose it was originally intended for, or in any other process; and

(ii) any snow, soil, water or debris that the spilled material comes in contact with;

(b) **"spilled material"** includes crude oil, salt water, condensate, natural gas liquids, refined chemicals and any other substances produced, generated or used at a well or facility and any combination of those materials.

(2) Immediately after the completion of an oil or gas well, the operator shall clear the area around the well of all refuse material and, as soon as weather conditions permit:

(a) dispose of drilling waste and decommission the drilling waste sump in a manner specified by the minister;

(b) drain and fill all excavations;

(c) level the surface around the well; and

(d) maintain the well site in a neat and orderly condition.

(3) Unless otherwise approved by the minister, all waste oil and refuse from tanks or wells is to be drained into proper receptacles that are located:

(a) in the case of a receptacle installed on or after January 1, 2008, not less than 50 metres from any tank, well or building, and immediately removed from the well site or facility site; or

(b) in the case of a receptacle installed before January 1, 2008, not less than 45 metres from any tank, well or building, and immediately removed from the well or facility site.

(4) No inflammable substances, contaminated products or waste products of any kind from an oil or gas well or facility are to be allowed to flow over the land, run into a water body or onto any highway or public road.

(5) If an event mentioned in subsection 106(1) occurs, the operator shall:

(a) implement the operator's emergency response plan and take immediate steps to contain and clean up the spilled material;

(b) ensure that any contaminated product is:

(i) processed in the operator's own facility;

(ii) sent to an approved waste processing facility; or

(iii) disposed of in another manner that is satisfactory to the minister; and

(c) remediate the area to a state that is satisfactory to the minister.

(6) The operator shall process all spilled materials:

(a) at an upstream facility that is licensed pursuant to the Act;

(b) at a waste processing facility approved by the minister; or

(c) in a manner that is satisfactory to the minister.

25 May 2007 SR 38/2007 s23.

Fire equipment and engine exhaust safety

53(1) Every operator shall safeguard all fires used at his well by sufficient mechanical or other means to prevent the creation of any hazard.

(2) Unless the well is a water supply well or a water injection well, no flame-type equipment, including a steam boiler, generator or heater, is to be placed or remain within:

(a) in the case of flame-type equipment installed on or after January 1, 2008, 25 metres of a well or oil storage tank, or

(b) in the case of flame-type equipment installed before January 1, 2008, 23 metres of a well or oil storage tank.

(3) Unless the air intake of the burner of the flame-type equipment is fitted with an adequate flame arrester, no flame-type equipment is to be placed or remain within:

(a) in the case of flame-type equipment installed on or after January 1, 2008, 25 metres of any separator or dehydrator; or

(b) in the case of flame-type equipment installed before January 1, 2008, 23 metres of any separator or dehydrator.

(4) No flame-type equipment is to be located in the same building as any other flame-type equipment, separator or dehydrator unless:

(a) the flues of all burners are located outside the building;

(b) relief valves, safety heads and other sources of ignitable vapours are vented outside the building and discharged above roof level; and

(c) the building is adequately cross-ventilated.

(5) An exhaust pipe from an internal combustion engine must be constructed in the manner set out in subsection (5.1) if it is located:

(a) in the case of an exhaust pipe installed on or after January 1, 2008, within 25 metres of any oil or gas well, separator, oil storage tank or other unprotected source of ignitable vapour; or

(b) in the case of an exhaust pipe installed before January 1, 2008, within 23 metres of any oil or gas well, separator, oil storage tank or other unprotected source of ignitable vapour.

(5.1) If subsection (5) applies to an exhaust pipe, it must be constructed so that:

(a) any emergence of flame along its length or at its end is prevented; and

(b) the end is not closer than six metres to the vertical centre line of the well and is directed away from the well.

(6) All vessels and equipment from which ignitable vapours may issue are to be safely vented to the atmosphere, and all vent lines from oil storage tanks that are vented to flare pits are to be provided with flame arresters or other equivalent safety devices.

(7) All battery piping is to be properly arranged and provided with control valves for shutting off oil or gas in the event of fire in the battery installations.

(8) Notwithstanding subsection (2), the minister may, in his discretion, approve the use of open flame tank heaters in oil fields and pools where heavy gravity oil is produced.

(9) Notwithstanding any other provision of this section, the minister may approve any distance shorter than those set out in this section.

15 Mar 85 cO-2 Reg 1 s53; 25 May 2007 SR 38/2007 s24.

Use of direct well pressures prohibited

54 No direct well pressure is to be used to operate any machinery, except gas-operated valves, regulators and chemical injector pumps.

15 Mar 85 cO-2 Reg 1 s54.

Vacuum devices prohibited

55 No vacuum pump or other device for the purpose of creating a vacuum in a gas or oil-bearing stratum is to be used unless, on application and after public notice, the minister approves its use.

15 Mar 85 cO-2 Reg 1 s55.

Uncontrolled well flow prohibited

56 No well is to be allowed to flow uncontrolled.

15 Mar 85 cO-2 Reg 1 s56.

Drill stem testing

57 No drill pipe is to be disconnected during a drill stem test unless:

(a) the rig is adequately lighted by:

(i) natural light; or

(ii) floodlights that may be located within 25 metres of the wellhead, but only if the floodlights have no electrical equipment capable of igniting gas or oil;

(b) there is no possibility of any oil or gas being present in the drill pipe.

15 Mar 85 cO-2 Reg 1 s57; 25 May 2007 SR 38/2007 s25.

Diesel engine operations

58(1) Unless otherwise approved by the minister, an operator shall provide a diesel engine with the devices and systems mentioned in subsection (1.1) if the diesel engine is working:

(a) in the case of a diesel engine installed on or after January 1, 2008, within 25 metres of the well; or

(b) in the case of a diesel engine installed before January 1, 2008, within 23 metres of the well.

(1.1) An operator shall provide a diesel engine to which subsection (1) applies with:

(a) either:

(i) adequate air intake shut-off valves, equipped with a remote control readily accessible from the driller's station; or

(ii) a system for injecting an inert gas into the engine's cylinders, equipped with a remote control readily accessible from the driller's station; and

(b) a suitable duct so that air for the engine is obtained:

(i) in the case of a diesel engine installed on or after January 1, 2008, at least 25 metres from the well; or

(ii) in the case of a diesel engine installed before January 1, 2008, at least 23 metres from the well.

(2) When an installation is made in accordance with clause (1)(a) or (b), the operator shall test for the stopping of the engine by remote control:

(a) before the cement plug at the shoe of the surface casing is drilled out or, if the well has been completed, before any servicing operations commence; and

(b) at least once in each seven-day period during the drilling or servicing of the well.

(3) Each test pursuant to this section is to be reported with full particulars on the daily record of operations.

15 Mar 85 cO-2 Reg 1 s58; 25 May 2007 SR 38/2007 s26.

Use of condensate

59(1) Before the operator of a well uses more than 1.5 cubic metres of condensate or other low flash point hydrocarbons in well completions or stimulations, he shall first obtain oral approval from a representative of the minister and shall:

(a) not use open tanks for storing or gauging or measuring the pump rate;

(b) maintain a minimum distance of 25 metres between the wellhead and storage tank;

(c) install positive shut-off valves between the tank and pump and between the pump and well head;

(d) install a check valve between the pump and the well to prevent back flow from the well;

(e) pressure test all surface lines downstream from the pump to 10,000 kilopascals above the anticipated maximum pressure to be encountered; and

(f) ensure that no significant wastage occurs.

15 Mar 85 cO-2 Reg 1 s59; 5 Jne 87 SR 39/87 s6; 25 May 2007 SR 38/2007 s27.

PART X
Drilling and Servicing Blow-out Prevention

General drilling blow-out prevention

60(1) Subject to subsection (9) and sections 61 to 63, the operator of a well being drilled shall install and at all times maintain blow-out prevention equipment containing:

(a) a hydraulically operated annular-type preventer which is capable of closing over the open hole or any tool or drilling string utilized while drilling is in progress;

(b) either:

(i) two hydraulically operated single-gate type preventers, one a blind-ram type and one a pipe-ram type; or

(ii) a hydraulically operated double gate type preventer utilizing pipe-rams and blind-rams;

(c) a drilling spool containing flanged side outlets, one of which has a minimum inside diameter of 63.5 millimetres;

(d) a flanged surface casing bowl, with the flange as an integral part of the bowl and with valves on both side outlets, which may not be removed without the permission of the minister;

(e) a bleed-off line, located above the lowest ram-type preventer:

(i) with a minimum inside diameter of 63.5 millimetres;

(ii) connected to the drilling spool by means of two flanged valves each with a minimum inside diameter of 63.5 millimetres;

(iii) having flanged connections with a minimum inside diameter of 63.5 millimetres from the drilling spool down to and including the last control valve;

(iv) having in the discretion of the operator, screwed connections on that section of the bleed-off line downstream from the last choke mainfold control valve;

(v) terminating at a flare pit that:

(A) is a minimum of 50 metres from the well bore; and

(B) is securely tied down;

(vi) constructed of:

(A) straight pipe or pipe with 1.57 radian bends consisting of running tees bull-plugged on fluid turns; or

(B) an approved fire proof flexible hose which, at a minimum:

(I) has a pressure rating equal to that of the blow-out preventer system;

(II) has factory installed connections;

(III) is sheathed to provide an adequate fire resistant rating;

(IV) is marked so that its manufacturer can be readily determined;

(V) does not contain any bends with a radius less than the manufacturer's specified minimum bending radius; and

(VI) is secured to prevent stresses on the connecting valves and piping and is protected from mechanical damage;

(f) a kill line which is:

(i) located above the lowest ram preventer by means of two full opening valves; and

(ii) constructed of:

(A) steel lines; or

(B) a fire-proof flexible hose constructed to the same minimum standards for the bleed-off line as specified in paragraph (vi)(B); and

(C) connected to the rig pump manifold;

(g) a choke manifold which:

(i) contains a gauge connection at which well pressure may be measured;

(ii) is located:

(A) outside of, but not attached to, the substructure; or

(B) at some approved predetermined point;

(iii) is at all times readily accessible;

(iv) has a centre run of the manifold with a minimum inside diameter of 63.5 millimetres containing flanged connections;

(v) has side wings, which may be constructed of 50 millimetre nominal diameter fittings and contain screwed connections, but which are to be equipped with two chokes at least one of which is adjustable;

(h) a valve in the kelly assembly or at the base of the drill string that can keep undue pressure off the kelly hose; and

(i) stabbing valves that can be connected to the top of any drill pipe in the well.

(2) All blow-out prevention components in the blow-out prevention stack, bleed-off line and manifold are required to have a minimum safe working pressure of 14,000 kilopascals.

(3) Prior to any drilling below the surface casing shoe, the complete blow-out prevention system is to be satisfactorily pressure tested to 7,000 kilopascals, or an approved pressure, down to and including the last valve on the choke manifold.

(4) The operating controls for each blow-out preventer and any hydraulically operated valve which may be installed on the bleed-off line are to be located with unrestricted access near the driller's station and an additional set of clearly marked operating controls are to be located at least 20 metres from the well.

(5) If fluid under pressure is used to operate blow-out preventers, the operator shall use an accumulator system:

(a) of sufficient pressure and capacity to:

(i) effect full closure of the annular preventer and to open the hydraulically operated valve on the bleed-off line; or

(ii) simultaneously close the annular preventer and one element of the ram-type preventer if the valve on the bleed-off line is not hydraulically operated;

and at the same time retain a pressure of 8,400 kilopascals at the pressure source and recover within five minutes the accumulator pressure drop following the effecting of the activity described in subclause (i) or (ii);

(b) that is connected to a nitrogen emergency source of not less than 12,500 kilopascals, and with nitrogen containers having pressure gauges installed or readily available for installation, capable of opening the hydraulically operated valve on the bleed-off line, and closing both the annular preventer and one element of the ram-type preventer.

(6) All ram-type blow-out preventers that are not equipped with automatic ram locking devices are required to have hand wheels installed or readily accessible for installation.

(7) While a well is being drilled, the operator shall:

(a) operate appropriate blow-out prevention equipment daily and, if he finds the equipment to be defective, he shall make it serviceable before operations are resumed; and

(b) report the full particulars of all testing in the daily drilling record including, in the case of a pressure test, the pressure applied and the duration of the test.

(8) The operators of all drilling blow-out prevention equipment shall:

(a) ensure that all persons employed on the drilling rigs have an adequate understanding of, and are able to operate, the blow-out prevention equipment; and

(b) maintain blow-out prevention equipment so that its operation will not be impaired by low temperatures.

(9) The minister may:

(a) at his own initiative; or

(b) on application by the operator;

prescribe any variation in blow-out prevention equipment that the minister considers expedient.

15 Mar 85 cO-2 Reg 1 s60; 4 Jly 97 SR 50/97 s12; 25 May 2007 SR 38/2007 s28.

Tangleflags Area

61(1) In this section, **"Tangleflags Area well"** means any well drilled within Township 50, 51 or 52, in Ranges 22 to 26, inclusive, west of the Third Meridian, in the Province of Saskatchewan.

(2) The operator of a Tangleflags Area well being drilled shall install and at all times maintain blow-out prevention equipment in compliance with section 60, with the following equipment specification exceptions:

(a) one of the flanged side outlets on the drilling spool is required to have a minimum inside diameter of 76.2 millimetres;

(b) the minimum inside diameter for all bleed-off line specifications is 76.2 millimetres; and

(c) the center run of the choke manifold is required to have a minimum inside diameter of 76.2 millimetres.

(3) The operator of a Tangleflags Area well may, in lieu of the 76.2-millimetre inside diameter specifications mentioned in subsection (2), substitute 76.2 millimetre nominal equipment, but only if an additional 76.2 millimetre nominal line from the blow-out prevention stack to the flare pit is incorporated.

(4) The outlet for the additional line mentioned in subsection (3) may be incorporated directly in the blow-out prevention stack or spool, but only if a flanged connection is an integral part of the blow-out prevention stack or spool.

15 Mar 85 cO-2 Reg 1 s61.

Medicine Hat Area

62(1) In this section, **"Medicine Hat Area well"** means any well drilled to develop the Medicine Hat formation in south-west Saskatchewan as designated by the minister.

(2) The operator of a Medicine Hat Area well being drilled shall install and at all times maintain blow-out prevention equipment in compliance with section 60, with the following equipment specification exceptions:

(a) either:

(i) a hydraulically operated annular type preventer; or

(ii) a hydraulically operated double-gate type preventer utilizing pipe-rams and blind-rams;

is to be installed;

(b) the surface casing bowl is required to have two 50 millimetre side outlets;

(c) the bleed-off line may contain flanged or screwed connections but is required to:

(i) have a minimum inside diameter of 50 millimetres for all bleed-off line specifications; and

(ii) be connected to one outlet of the surface casing bowl by means of a valve having a nominal diameter of 50 millimetres;

(d) the choke manifold is required to have:

(i) a centre run with a minimum nominal diameter of 50 millimetres, but it may contain screwed fittings; and

(ii) side wings that are constructed with 50 millimetre nominal diameter fittings, but they may contain screwed fittings.

15 Mar 85 cO-2 Reg 1 s62; 4 Jly 97 SR 50/97 s13.

Milk River Area

63(1) In this section, **"Milk River Area well"** means any well drilled to develop the Milk River formation as designated by the minister.

(2) The operator of a Milk River Area well being drilled shall install and at all times maintain blow-out prevention equipment in compliance with section 60, with the following equipment specification exceptions:

(a) the equipment specifications are those provided for a Medicine Hat Area well in section 62;

(b) if air drilling is undertaken, equipment specifications are those provided in subsection (3); or

(c) if mud drilling with the use of a conductor pipe is undertaken, equipment specifications are those provided in subsection (4).

(3) If the operator of a Milk River Area well undertakes air drilling, the blow-out prevention stack of the well is required to contain:

(a) a full opening drill through valve;

(b) a rotary stripper head;

(c) a drilling spool containing an outlet with a nominal diameter of at least 100 millimetres;

(d) a surface casing bowl containing a valve on each of two 50 millimetre side outlets; and

(e) a bleed-off line which:

(i) has a minimum nominal diameter of 100 millimeters;

(ii) is connected to one of the 100 millimetre nominal diameter outlets of the drilling spool; and

(iii) contains flanged or screwed fittings.

(4) If the operator of a Milk River Area well undertakes mud drilling, he may use conductor pipe but only if the blow-out prevention stack of the well contains:

(a) a hydraulically operated annular type preventer;

(b) a surface casing bowl or a drilling spool that has two 50 millimetre side outlets;

(c) a bleed-off line which:

(i) has a minimum nominal diameter of 50 millimetres;

(ii) is connected to one outlet of either the surface casing bowl or the drilling spool by means of a valve having a nominal diameter of 50 millimetres; and

(iii) contains flanged or screwed fittings;

(d) a conductor pipe which may be used in lieu of surface casing only if:

(i) the conductor pipe is set a minimum of 18 metres, is equipped with at least one centralizer and is cemented along its full length by the circulation method;

(ii) the conductor pipe portion of the well bore is at least 100 millimetres greater in diameter than that of the conductor pipe; and

(iii) when the conductor pipe is used, the bleed-off line valve is never shut in because it is to be used as a diverter system only.

15 Mar 85 cO-2 Reg 1 s63.

Servicing blow-out prevention equipment and requirements

64(1) The operator of a well being completed, serviced or reconditioned, any of which involves the movement of tubing, shall install and at all times maintain blow-out prevention equipment containing:

(a) an annular-type preventer;

(b) two single gate ram-type preventers, one a blind-ram type and one a pipe-ram type; or

(c) a double-gate type preventer utilizing pipe rams and blind rams.

(2) All servicing blow-out preventer installation components are to have a minimum safe working pressure of 14,000 kilopascals or a pressure prescribed by the department as adequate.

(3) Manually operated gate type preventers may be used, in which case the operator shall have clearly marked manual controls located behind steel shields at least six metres from the well.

(4) All servicing blow-out preventers which are hydraulically operated are to:

(a) be equipped with an accumulator system capable of providing fluid of sufficient volume and pressure to effect full closure of the preventers a minimum of two times without being recharged;

(b) have one set of clearly marked operating controls immediately at the operator's station and an additional set of clearly marked controls located behind the furthest extremity of the rig; and

(c) have hand wheels either installed or readily accessible for installation for ram-type blow-out preventers which are not equipped with a ram locking device.

(5) The rig hydraulic system may be utilized to re-charge the accumulator.

(6) The operators of all servicing blow-out prevention equipment shall:

(a) ensure that all persons employed on the rigs have an adequate understanding of and are able to operate the blow-out prevention equipment; and

(b) maintain blow-out prevention equipment so that its operation will not be impaired by low temperatures.

(7) The operator shall ensure stabbing valves are maintained in good working condition and are readily accessible at all times for any tubing or pipe in the well.

(8) The operator shall operate the blow-out prevention equipment daily and, if he finds any equipment defective, shall make it serviceable before operations are resumed.

(9) Notwithstanding subsections (1) to (8), the minister may:

(a) at his own initiative; or

(b) on application by the operator;

prescribe any variation in servicing blow-out prevention equipment that he considers expedient.

15 Mar 85 cO-2 Reg 1 s64.

PART XI
Production Operations

65 Repealed. 13 Sep 91 SR 79/91 s25.

66 Repealed. 23 Jne 89 SR 34/89 s2.

67 Repealed. 13 Sep 91 SR 79/91 s26.

Battery proration and individual well tests

68(1) Every well is to be tested monthly for the purpose of reporting monthly gas, oil and water production on approved forms, unless otherwise ordered by the minister.

(2) The tests are to be for a period equivalent to the interval required to produce a normal day's production at a normal producing rate.

(3) Measured test production for a period longer than 72 consecutive hours is not to be prorated but is to be shown as a separate entry on the production report submitted for the well being tested.

15 Mar 85 cO-2 Reg 1 s68; 13 Sep 91 SR 79/91 s27.

Well and battery testing equipment

69(1) The well-head, separator, treater, tanks and piping equipment are to include those valve connections that are necessary for sampling the oil, gas or water produced.

(2) Every battery is to be equipped with sufficient test separators, tanks and gas metering equipment to ensure that at least one production proration test for the prescribed period may be made each month.

(3) Well-head equipment is to be maintained in first class condition and the equipment is to be installed so that tubing, casing and static bottom hole pressures may be obtained at any time by representatives of the minister.

15 Mar 85 cO-2 Reg 1 s69.

Gas-oil ratios

70(1) No oil well is to be allowed to produce gas in excess of a gas-oil ratio of 3,500 cubic metres of gas to each cubic metre of oil, unless otherwise approved by the minister.

(2) **Repealed.** 13 Sep 91 SR 79/91 s28.

15 Mar 85 cO-2 Reg 1 s70; 14 Dec 90 SR 96/90 s11; 13 Sep 91 SR 79/91 s28.

Gas conservation

71 The minister may require the owner of an oil well from which gas is produced or another well producing or capable of producing gas to:

(a) restrict or discontinue the production of gas from the well; or

(b) collect and:

(i) utilize; or

(ii) sell;

the gas produced.

13 Sep 91 SR 79/91 s29.

Venting gas

72(1) No person shall vent a volume of natural gas greater than 900 cubic metres per day from an oil well or facility to the atmosphere:

(a) unless it is an emergency and a reasonable level of precaution has been taken to protect human health, public safety, property and the environment and to prevent fire or explosion; or

(b) unless approved by the minister.

(2) Notwithstanding subsection (1), no person shall vent any volume of gas or vapour from a well or facility that contains hydrogen sulphide in a concentration greater than 10 parts per million or 0.01 moles/kilomole as measured at the edge of the lease or property boundary:

(a) unless it is an emergency and a reasonable level of precaution has been taken to protect human health, public safety, property and the environment and to prevent fire or explosion; or

(b) unless approved by the minister.

(3) The gas mentioned in subsections (1) and (2) must be collected, burned or disposed of in a manner satisfactory to the minister.

(4) Unless otherwise approved by the minister, no flare stack is to be located:

(a) within 75 metres of any surface improvement;

(b) in the case of a flare stack installed on or after January 1, 2008, within 100 metres of an urban centre; or

(c) in the case of a flare stack installed before January 1, 2008, within 75 metres of an urban centre.

(5) No person shall use a flare pit in conjunction with production and operation of a well or facility, unless otherwise approved by the minister.

(6) Flare pits may only be used in a drilling operation in a manner as determined by the minister.

(7) Notwithstanding subsections (5) and (6), unless otherwise approved by the minister, no flare stack, flare pit or end of the flare line:

(a) in the case of a flare stack, flare pit or flare line installed on or after January 1, 2008, is to be placed or remain:

(i) within 50 metres of a well or oil storage tank; or

(ii) within 25 metres of any oil or gas processing equipment; or

(b) in the case of a flare stack, flare pit or flare line installed before January 1, 2008, is to be placed or remain:

(i) within 45 metres of a well or oil storage tank; or

(ii) within 23 metres of any oil or gas processing equipment.

15 Mar 85 cO-2 Reg 1 s72; 25 May 2007 SR 38/2007 s29.

Gas well tests

73(1) The absolute open flow potential of every gas well is to be determined:

(a) before being placed on production or within 30 days of being placed on production;

(b) within 30 days of any stimulation, reconditioning or recompletion; or

(c) whenever required by the minister.

(2) The test to be used to determine the absolute open flow potential pursuant to subsection (1) is:

(a) the 4-point isochronal or modified isochronal test; or

(b) any other test approved by the minister.

(3) A test to verify the stabilized flow capability of every gas well must be carried out during the second year of production, using an approved method.

(4) The operator of a well shall notify the appropriate field office of the department at least 24 hours in advance of any gas well test in order that the test may be witnessed by the minister's representative.

(5) The operator of a gas well shall submit three copies of the results of all gas well tests conducted, including any tests run which exceed the minimum requirements, to the department within 30 days of the date on which the test was completed.

(6) This section does not apply to wells in reservoirs used for gas storage unless otherwise ordered by the minister.

13 Sep 91 SR 79/91 s30; 4 Jly 97 SR 50/97 s14.

Liquid petroleum gases

74 The minister may order a test of the content of any gas and if, in his opinion, a product is present in an economic quantity that justifies extraction, he may order the separation, conservation and utilization of the product.

15 Mar 85 cO-2 Reg 1 s74.

Commingling of production prohibited

75 The production from a zone may not be commingled with that from another zone, before measurement, without the approval of the minister.

13 Sep 91 SR 79/91 s31.

Disposal of salt water and other wastes

76(1) A plan for the disposal of oil-and-gas wastes or non-oil-and-gas wastes into subsurface formations must be accompanied by:

(a) the written consent of all owners and all fee simple mineral owners, other than the Crown, that in the opinion of the minister may reasonably be adversely affected by the disposal; and

(b) any other information or material that the minister may require.

(2) Without prior written approval, no person shall dispose of oil-and-gas wastes, including but not limited to drilling fluids and waste oil or refuse from tanks or wells, in a manner other than disposal into a subsurface formation.

(3) No operator shall allow oil-and-gas wastes or non-oil-and-gas wastes to constitute a hazard to public health or safety or to contaminate fresh water or arable land, notwithstanding any compliance or intended or purported compliance with a plan mentioned in subsection (1).

(4) All waste disposal wells and pressure maintenance wells are to be inspected by the department at least once every two years, or as directed by the minister, to ensure that:

(a) there are no production casing, tubing or packer failures; and

(b) the tubing-production casing annulus is filled with a satisfactory corrosion inhibiting fluid.

13 Sep 91 SR 79/91 s32.

Enhanced oil recovery projects

77(1) A plan for horizontal drilling or for any project for the enhanced recovery of oil or gas through the use of repressuring, pressure maintenance or other stimulation techniques, including the injection of oil, gas or other fluids, is to be submitted to the department for approval by the minister.

(2) The plan mentioned in subsection (1) is to contain any information and material that the minister may require.

(3) On approval by the minister of the plan mentioned in subsection (1), the applicant or person in charge of the fluid injection operations shall notify the department of:

(a) the commencement date of operations; and

(b) the discontinuance of the operations, together with the reasons for the discontinuance;

within 12 days of the commencement or discontinuance.

(4) **Repealed.** 13 Sep 91 SR 79/91 s33.

15 Mar 85 cO-2 Reg 1 s77; 13 Sep 91 SR 79/91 s33.

Salt water storage and emergency earthen pits

78(1) In areas determined by the minister, the operator shall provide:

(a) if the facility handles not more than 120 cubic metres of produced water per day, equivalent tankage; and

(b) if the facility handles more than 120 cubic metres of produced water per day:

(i) if the facility has a fail-safe shut-down control device approved by the minister, a minimum tank volume of 120 cubic metres; or

(ii) if the facility does not have a device mentioned in subclause (i), equivalent tankage.

(2) All new and replacement tanks are to be internally protected against corrosion and surrounded by a dike with a capacity equal to the largest tank or a greater capacity that the minister may require.

(3) In approved areas, earthen pits may be used to contain salt water on an emergency basis if:

(a) the pits are lined with a commercially available lining unless ministerial approval is obtained to dispense with the use of lining;

(b) pit size does not exceed production requirements;

(c) the pits incorporate an approved monitoring system which can monitor both horizontal and vertical seepage;

(d) the pits are used in an emergency only and their contents are disposed of within 48 hours in accordance with section 76; and

(e) the pits are maintained to prevent the escape of salt water and adequately fenced when fencing is dictated by safety considerations, or by a surface owner's request.

(4) Any other method of salt water storage is to be approved.

15 Mar 85 cO-2 Reg 1 s78; 25 May 2007 SR 38/ 2007 s30.

Orifice meters

79(1) Each orifice meter is to be installed in accordance with the "Gas Measurement Committee Report No. 3" as published and amended from time to time by the American Gas Association.

(2) The operator of a gas well shall, unless otherwise directed by the minister, use for the measurement of gas production:

(a) a circular chart drive, not slower than seven days per cycle; or

(b) a suitable strip chart.

(3) The operator of an oil well at which gas is produced shall use, for the metering of gas production, a 24-hour chart drive unless a slower chart drive is approved.

(4) Charts used to record the measurement of gas produced in conjunction with oil are to be computed:

(a) on a daily basis if a 24-hour circular chart drive is used;

(b) on a seven-day basis if a seven-day circular chart drive is used;

and all such charts are to be preserved for a period of one year.

(5) At installations where an orifice plate is bolted in place, the plate is to clearly show the size of orifice by figures stamped or cut into the metal of the plate, and no person shall rebore the plate or increase the orifice size without first removing or permanently defacing the old marking and substituting the new measurement prior to reinstallation.

(6) The measured inside diameter of the pipe at the orifice, together with the date of measurement and name of person making the measurement, is to be clearly marked on the pipe near the orifice flanges and also inscribed in the meter shelter.

(7) Whenever an orifice plate is changed, a record of the time of change and the size of the orifice of the plate removed and of the plate inserted is to be recorded on the meter chart and in the tour report.

(8) If gas production is measured with an orifice meter, no orifice plate having an orifice size that exceeds the maximum size described in Table 3, for flange taps, or Table 8, for pipe taps, of the code published as "Gas Measurement Committee Report No. 3" is to be used.

(9) Any orifice plates used in violation of subsection (8) are forfeited to the Crown and, in any such case, the minister shall determine the volume of gas produced by the well involved in that violation for the period prior to that forfeiture.

(10) Orifice meter charts are to be clearly marked in order to indicate the well or wells being metered and the time and date of start and finish of records.

(11) Coefficients for calculating meter charts are to be computed in accordance with the code published as "Gas Measurement Committee Report No. 3" mentioned in subsection (1).

15 Mar 85 cO-2 Reg 1 s79; 4 Jly 97 SR 50/97 s15.

Positive displacement meters, rotary type

80 If an operator uses a rotary displacement meter to measure gas production, he shall:

(a) install the meter in accordance with the specifications recommended by the manufacturer;

(b) install a dampening orifice downstream from the meter;

(c) provide pressure taps immediately on each side of the meter, fitted with 6.53 millimetre valves so that a measurement of the differential pressure across the meter may be taken;

(d) enter in the well or battery records all data necessary for calculating the volume of gas produced and correct the measured volume of gas produced for operating pressure, temperature and supercompressibility;

(e) equip the meter with a non-reset counter;

(f) install a thermometer well in the pipe near the meter;

(g) take a temperature measurement of the gas stream at least once per week and enter it in the daily record;

(h) in the case of test gas production from an oil well, equip the meter with:

(i) an index to correct the volume to base pressure conditions; or

(ii) chart recording equipment to record the volume throughput and the meter operating pressure;

(i) in the case of total gas production from an oil well or group of oil wells, equip the meter with chart recording equipment to record volume throughput and the meter operating pressure unless otherwise approved; and

(j) in the case of gas well production, equip the meter with chart recording equipment to record the volume throughput and the meter operating pressure unless otherwise approved.

15 Mar 85 cO-2 Reg 1 s80.

PART XII
Suspension and Shutting Down of Wells and Facilities

When minister may make orders pursuant to section 17.01 of the Act

81 For the purposes of section 17.01 of the Act, the minister may make an order pursuant to that section if, in the opinion of the minister, it is necessary to do so for the purpose of preventing a well, facility, structure test hole, oil shale core hole, pipeline or associated flowline from becoming a menace to an oil, gas, fresh-water-bearing or other mineral-bearing formation.

25 May 2007 SR 38/2007 s32.

Enforcement of regulations and orders

81.1 If the minister is satisfied that a well, drilling rig, servicing rig or facility is operated in contravention of the Act or any regulations or orders made pursuant to the Act, the minister may, after giving any notice that the minister considers reasonable, shut down or cause the shut-down of the contravening well, drilling rig, servicing rig or facility or equipment and prohibit its operation until the minister orders otherwise.

25 May 2007 SR 38/2007 s32.

Sealing

82(1) The minister may, whenever the minister considers it necessary, seal or cause to be sealed any valve or meter installed at a well or facility or on a pipeline, tank or other receptacle used for the storage or transportation of oil, gas or other fluid produced or withdrawn from the well or stored at the facility.

(2) The minister or his representative shall notify the person in charge of operations at the well or facility and the owner or his agent in writing of the affixing of any seal and the reasons therefore, except where a seal is affixed for battery proration tests or for an infraction of waste disposal regulations or orders.

(3) Except in the case of an emergency, no person shall tamper with or remove a seal affixed pursuant to subsection (1) without the permission of the minister or his representative.

15 Mar 85 cO-2 Reg 1 s82; 26 May 89 SR 25/89 s9; 25 May 2007 SR 38/2007 s33.

PART XIII
Well Data

Drill cutting samples

83(1) Unless otherwise directed by the minister, each operator shall cause to be taken at interval depths of five meters and shall preserve and maintain a series of samples of the various formations penetrated by the drill in drilling a well.

(2) Two sets of samples taken pursuant to subsection (1) are to be:

(a) cleaned and dried;

(b) preserved in 11 millilitre (three dram) vials:

(i) labelled with the well name and licence number and the depth at which each sample was taken; and

(ii) contained in 24 centimetre by 34 centimetre trays labelled with the well name and licence number and the intervals of depth over which the samples were taken; and

(c) submitted within 30 days after the finished drilling date prepaid to:

The Subsurface Geological Laboratory
201 Dewdney Avenue East
Regina, Saskatchewan
S4N 4G3.

15 Mar 85 cO-2 Reg 1 s83; 4 Jly 97 SR 50/97 s16; 5 Jan 2001 SR 106/2000 s6.

Cores and submission of cores

84(1) All cores taken from a core barrel, except those portions of cores which may reasonably be necessary to retain for analytical purposes, are to be protected from theft or misplacement and submitted prepaid to the laboratory mentioned in subsection 83(2) within 30 days after the finished drilling date of the well.

(2) All cores submitted to the laboratory are to be crated in proper stratigraphic order in sturdily constructed cardboard boxes that do not exceed the specifications and requirements set out in Table 1.

(3) No person shall destroy any core, except any portion that may be reasonably necessary for analytical purposes, without the approval of the minister.

(4) No person shall take any core out of Saskatchewan without the consent of the minister.

(5) Two copies of all core analyses made on cores from every well drilled in Saskatchewan are to be submitted to the department within 30 days after the analyses are completed.

(6) Every operator shall, within 10 days after the finished drilling date of a well from which cores are taken, submit to the department a statement showing the number of cores taken and the number of standard size core-boxes used to hold the cores.

(7) The minister may, as a condition for issuing a licence, require the owner of a well being drilled for oil or gas in a designated field or pool to core and test any formation from which production of oil or gas may be expected and, in the event that information is required, the owner shall submit it to the minister by the most expeditious method.

(8) All cores taken from oil shale core holes, except those portions that are necessary for analytical purposes, are to be submitted to the department in accordance with this section unless otherwise authorized by the minister.

(9) Two copies of all core analyses of cores taken from oil shale holes are to be submitted to the department within 30 days after the analyses are completed.

15 Mar 85 cO-2 Reg 1 s84; 4 Jly 97 SR 50/97 s17.

Oil, gas and water analyses

85(1) If oil, gas or water appears in a well during drilling or production, the minister may require the operator to take and analyze a sample of the oil, gas or water at his own expense.

(2) The operator shall submit to the department three copies of each analysis that he causes to be made of oil, gas or water samples recovered within 30 days after the analysis is completed.

15 Mar 85 cO-2 Reg 1 s85; 4 Jly 97 SR 50/97 s18.

Log surveys for well and structure test holes

86(1) Prior to the completion or abandonment of a well, the operator shall have the following logs taken unless otherwise approved:

(a) an approved resistivity log or standard electric log, excluding contact logs, from surface casing shoe to total depth;

(b) an approved radioactivity log, including both natural and induced radioactivity or an approved porosity curve, commencing at a distance sufficiently above the top of the Paleozoic Erathem to give an accurate shale line, to the total depth if the well penetrates more than 15 metres into the Paleozoic Erathem.

(2) In selecting the log to be taken as required by clause (1)(a), the operator shall consider the general condition of the well and the fluid in the bore hole and select the log that gives the optimum information under existing conditions.

(3) Prior to the completion or abandonment of a structure test hole, the operator shall have an electrical log, or another approved log, taken with all pertinent data recorded on it unless permission to dispense with the taking of logs is obtained from the minister.

(4) On any well or structure test hole the operator shall, whenever directed to do so by the minister, take any other log or well survey that is generally recognized and in practical use in the oil and gas industry for obtaining subsurface information.

(5) Unless otherwise directed in writing by the minister, the operator shall submit to the department a complete suite of logs and surveys for each well drilled, together with factual data:

(a) in a format and medium determined by the minister; and

(b) within 30 days after the logs or surveys are taken or made.

(5.1) A well log or other well survey submitted pursuant to subsection (5) is deemed to be submitted when the department determines that:

(a) in its opinion, the submission is readable; and

(b) the submission meets the minister's requirements pursuant to subsection (5).

(6) All copies of resistivity and radioactivity logs are to be submitted to the department, wherever possible on the scale of one to 240, but on a scale of not less than one to 600, and copies of other types of logs are to be on the same scale as the original.

15 Mar 85 cO-2 Reg 1 s86; 4 Jly 97 SR 50/97 s19; 25 May 2007 SR 38/2007 s34.

Bottom-hole pressure surveys

87 If a bottom-hole pressure survey of a well is made either on the operator's initiative or at the minister's direction:

(a) the procedure regarding testing of wells and calibration of pressure gauges is to be in accordance with the manual, "Bottom-hole Pressure Surveys Testing and Calibration Procedure" issued by the department;

(b) three copies of the results of the survey, together with any pertinent information that the minister may request regarding the manner in which the survey was carried out, are to be submitted by the operator to the department within 30 days after completion of the survey; and

(c) the minister shall determine any question that may arise in the interpretation of the procedure manual and his interpretation is final.

15 Mar 85 cO-2 Reg 1 s87; 4 Jly 97 SR 50/97 s20.

Reservoir surveys

88(1) Subject to subsection (2), the minister may require surveys of reservoirs containing oil or gas to be made in accordance with good oil field practice at any time and in any manner that he considers advisable.

(2) At least two weeks prior to making a reservoir survey, a notice of survey is to be submitted to the department on an approved form.

(3) Reservoir surveys may include:

(a) the static bottom-hole pressures of shut-in wells;

(b) flowing bottom-hole pressures of producing wells included in the survey;

(c) the bottom-hole sample analysis of oil, if available;

(d) the productivity indices of individual wells in any pool; or

(e) any other information that the minister may require.

(4) If a reservoir survey is required to be made pursuant to subsection (1), owners and operators shall permit and assist the minister in making tests that may be required by it, including bottom-hole pressure determinations.

(5) The minister is not liable for any damage incurred as a result of making tests or surveys that may be required by this section.

15 Mar 85 cO-2 Reg 1 s88.

Submission of drill stem test data

89 If drill stem tests are taken, two copies of the drill stem test reports, including pressure charts, are to be submitted to the department within 30 days after the completion of the tests.

15 Mar 85 cO-2 Reg 1 s89; 4 Jly 97 SR 50/97 s21.

Geological report or summary

89.1 An operator who drills a horizontal well or who, at any time, drills a new horizontal section from that horizontal well shall, within 30 days after the rig release date, submit to the department:

(a) three copies of a geological report, including sample descriptions; or

(b) three copies of a geological summary and the accompanying lithological description log.

4 Jly 97 SR 50/97 s22.

Labelling of submissions

89.2 Every sample, core, analysis, log survey, test, form, report, statement or summary submitted in accordance with this Part must be accurately labelled with the official well name and licence number of the well.

3 Jly 98 SR 50/98 s6.

PART XIV
Records, Reports and Notifications

90 Repealed. 13 Sep 91 SR 79/91 s34.

91 Repealed. 13 Sep 91 SR 79/91 s34.

92 Repealed. 13 Sep 91 SR 79/91 s34.

Daily Drilling Record

93 A copy of the Daily Drilling Record is to be kept at every drilling rig and is to be readily available to a representative of the minister at all times.

15 Mar 85 cO-2 Reg 1 s93.

Notification of wildcat discoveries

94 If an operator discovers significant quantities of oil or gas in any formation in a wildcat well or water in a glacial drift, he shall notify the minister of the nature and quantity thereof by the most expeditious method.

15 Mar 85 cO-2 Reg 1 s94.

Well completion data reports

95(1) Three copies of a finished drilling report, certified by the owner or his authorized agent, are to be submitted to the department on an approved form within 30 days after the finished drilling date.

(1.1) In the case of a horizontal well, for each productive horizontal section, three copies of the finished drilling report, certified by the owner or his or her authorized agent, are to be submitted to the department on an approved form within 30 days after rig release.

(2) Two copies of a supplementary well data report certified by the owner or his authorized agent are to be submitted to the department on an approved form within 30 days after completion of any workover job that may be reasonably construed as having been carried out to change the producing characteristics of a well.

(3) The workover job report mentioned in subsection (2) is to include details on acidizing, formation fracturing, squeeze cementing perforations, reperforating and abandoning of a producing well.

(4) Service companies shall, on the request of the minister, submit reports and records showing gun perforating, hydraulic fracturing, cementing, shooting or chemical treatment on any well.

15 Mar 85 cO-2 Reg 1 s95; 4 Jly 97 SR 50/97 s23.

Well and plant records

96(1) Every person who produces, sells, purchases, acquires, stores, transports, refines or processes oil or gas shall keep and maintain complete and accurate records in Saskatchewan of the quantities of the oil or gas.

(2) The records mentioned in subsection (1) are to be available at all times for examination by the minister or his representative, and any person mentioned in subsection (1) may be required by the minister or his representative to submit to the department any reports that the minister may prescribe with respect to the oil, gas or any product derived therefrom.

(3) Every person who is the owner or has the control or management of a refinery, scrubbing plant or processing plant in Saskatchewan shall keep, at his office or other place of business in Saskatchewan, records of:

(a) oil, gas or water received in to the refinery, scrubbing plant or processing plant;

(b) the name and address of every person from whom the oil, gas or water was received;

(c) the quantity and quality of oil or gas, and the quantity and type of water received from each person;

(d) the price payable in respect thereof; and

(e) every disposition by him of any product obtained from refining, treating or processing the oil, gas or water.

(4) If a well is producing or is capable of producing oil or gas, the owner shall keep, at his field office or other place of business in Saskatchewan, a daily record of the well on an approved form showing:

(a) the oil, gas and water, including sediment, produced from the well;

(b) the average separator pressure or, if a separator is not in use, the average treater pressure; and

(c) full particulars of the disposition of all products of the well.

(5) If water or gas is injected or disposed of into a well, the owner shall keep, at his field office or other place of business in Saskatchewan, a daily record of the well on an approved form showing:

(a) the gas or water injected or disposed of into the well;

(b) the source from which the gas or water was obtained;

(c) the particulars of any treatment to which the gas or water has been subjected; and

(d) the pressure used in the injection of the fluid.

(6) The owner shall keep any other records that the minister may require.

(7) Every person operating a plant for processing oil or gas shall keep a daily record of the oil or gas processed during each month.

15 Mar 85 cO-2 Reg 1 s96.

97 Repealed. 13 Sep 91 SR 79/91 s35.

Prescription of standards

98(1) The minister may, where not otherwise provided for, prescribe the methods to be used for the measurement of oil, gas and water and the standard conditions to which such measurements are to be converted.

(2) Without restricting the generality of subsection (1), if the conditions of pressure and temperature of gas differ from the prescribed standard conditions, the minister may require the conversion of the volume from these conditions to the standard conditions.

(3) If the methods of measurement and standard conditions are prescribed pursuant to this section, those methods and standard conditions are to be used wherever the measurement of oil, gas or water is required.

15 Mar 85 cO-2 Reg 1 s98.

Measurement of production

99(1) If a well is producing oil or gas the operator of the well shall measure the production of oil, gas and water from the well in a manner satisfactory to the minister.

(2) Individual well production is, in all cases, to be separately measured unless permission has been obtained from the minister to commingle that production with the production from another well or wells prior to measurement.

(3) The minister may, on application, permit the keeping of records or filing of reports on a battery basis if two or more wells are tied to common storage and treating facilities and, in all such cases:

(a) approval of the minister is to be obtained before recording and reporting production from a well on a battery basis;

(b) the manner, frequency and duration of tests to be taken to establish the rates of production of each fluid for each well tied to the battery is to be as prescribed by the minister;

(c) the total commingled production of each fluid is to be prorated to the individual wells tied to the battery in the manner prescribed by the minister; and

(d) the production figures, prorated in accordance with clause (c), represent the production of each well for all purposes.

15 Mar 85 cO-2 Reg 1 s99.

Metering and measurement of gas

100(1) All gas produced is to be accurately measured with an approved gas meter unless the minister gives approval to dispense with the metering of gas.

(2) If the conditions of pressure and temperature differ from the standard conditions prescribed in clause 2(k), conversion of the volume from the conditions under which measurement is made to the standard conditions is to be made in accordance with the Ideal Gas Laws and corrected for deviation from the Ideal Gas Laws.

(3) Correction for deviation from the Ideal Gas Laws is to be based on the "Gas Measurement Committee Report No. 3" as published and amended from time to time by the American Gas Association.

(4) If gas from several wells is brought to a common locality for metering for economy of operation, each meter is to be marked clearly to indicate the source of the gas.

(5) Every bypass around a meter is to be closed by valves that effectively stop all flow of gas when closed and on every occasion when the bypass is operated or the gas does not reach the meter a suitable entry is to be made in the tour report.

(6) Whenever the volume of gas at a well or battery requires correction for flowing temperature and there is no continuous recording of gas flow temperature, the operator shall equip each meter run with a thermometer well and take and record on the chart or in the daily record the temperature of the gas stream at least once per week.

(7) Each meter is to be maintained in good working condition.

(8) Purchasers of gas shall keep all meter charts and records on gas purchased in a permanent file for a period of at least one year and that information is to be made available to the minister on request.

(9) The meter is to be suitably safeguarded from weather and interference by unauthorized persons.

(10) In computing the quantity of gas passing through the meter during the period covered by a chart, the volume of all metered gas, together with a fair estimate of the volume of all unmetered gas during all periods in which the meter for any reason fails to record, is to be recorded.

(11) The minister may permit group meter measurement or, after examination, may exempt any well from metering the volume of gas produced therefrom, but only if a satisfactory estimate of the volume of gas so produced is supplied to the department in lieu of the meter measurement.

(12) On discovering a gas metering error, the owner shall have the meter corrected immediately and shall report corrected production to the department for the period during which the meter measured incorrectly.

(13) The minister shall prescribe the method of computing gas charts or of reporting gas measurements and production to the department.

15 Mar 85 cO-2 Reg 1 s100.

Submission of reports and statements

101(1) Unless otherwise approved by the minister, every report, statement or application mentioned in this section must be complete and accurate and must be submitted to the department in the form and manner required by the minister:

(a) in the case of a report or application mentioned in subsection (10), (11), (12), (13) or (14), within the time mentioned in that subsection; and

(b) in the case of a report or statement mentioned in any other subsection, on or before the last day of the month immediately following the end of the month with respect to which the report or statement is prepared.

(2) Every operator of a well that produces oil, gas, water or any other substance during any month shall submit a statement showing:

(a) the oil, condensate, gas, water and other substances, including sediment, produced or reproduced from the well during the month; and

(b) the number of hours during which the well was on production in the month.

(3) For the purposes of subsection (2), the reported gas production is to be the sum of the volumes of gas production as calculated from the daily gas charts required by section 100 together with a fair estimate of all unmetered gas produced during any period in which the gas was not measured for any reason.

(4) Every operator of a well, battery or unit, as defined in clause 2(dd) of *The Crown Oil and Gas Royalty Regulations* and clause 2(y) of *The Freehold Oil and Gas Production Tax Regulations, 1995*, shall submit a complete and detailed report monthly showing:

(a) the particulars of any production, inventories, disposition, consumption or losses of oil, condensate, gas, water or other substance associated with the operation of that well, battery or unit;

(b) the particulars of any receipts from and deliveries to other facilities, including facilities outside Saskatchewan; and

(c) the particulars of any sales of oil, condensate, gas or other substance from that well, battery or unit, including the purchaser, point of sale, volume, price and value of sales, and including details of sales occurring outside of Saskatchewan.

(5) Every special operator, within the meaning of section 9 of *The Crown Oil and Gas Royalty Regulations* and section 7 of *The Freehold Oil and Gas Production Tax Regulations, 1995*, who disposes of oil, gas or any other product produced from or allocated to a well, battery or unit during any month shall submit monthly to the department a report showing the particulars of any disposition and sale of oil, gas or any other product associated with the production from that well, battery or unit, including details of deliveries and sales occurring outside of Saskatchewan.

(6) Every operator of a well shall submit a statement showing the results of the production test taken during any month to establish hourly rates of production for oil, condensate, gas, water and any other substance.

(7) Each measured total quantity of oil, gas or water produced by a group of wells tied to a battery is to be apportioned to the individual wells in proportion to the relative test production in the manner outlined by the minister.

(8) The total gas production from the battery includes the sum of:

(a) all group gas chart measurements;

(b) all individual test gas chart measurements; and

(c) estimates of all gas produced by the wells tied to the battery during the month and not measured for any reason.

(9) If the operation of a well, battery, facility or unit is discontinued in any month without abandoning the well, battery or facility or terminating the unit, the operator of that well, battery, facility or unit shall continue to submit reports until the well, battery or facility is abandoned or the unit is terminated, or until the operator notifies the department that the well, battery, facility or unit is suspended or inactive.

(10) Every operator of a new oil, gas, injection or disposal well or any other well shall submit a well activity report within 22 days after the first day of production, injection or disposal.

(11) The operator of a well who undertakes any operation to change the well's status or recomplete the well to a different zone shall submit a well activity report within 22 days after the first day of production, injection or disposal related to the change in the well's status or recompletion to a different zone.

(12) Every operator of a new or an existing facility shall submit to the department a facility code application within 22 days after:

(a) the establishment of, or amendment to, a facility; or

(b) the initial load/completion oil activity at the well.

(13) The operator of a well who suspends production, injection or disposal operations at a well for an indefinite period shall submit a well activity report within 22 days after the day of suspension.

(14) The operator of a well who resumes production, injection or disposal operations at a well, in the same zone that was suspended, shall submit a well activity report within 22 days after the day the well resumes production, injection or disposal operations.

(15) The operator of a well or a multi-well facility into which water, gas or any other substance is injected during any month for pressure maintenance or disposal purposes shall submit a statement showing:

(a) the amount of water, gas or other substance received from each supplying well, battery or other source during the month, including receipts from sources outside Saskatchewan;

(b) the total amount of water, gas or other substance injected or disposed into each well and each multi-well facility during the month;

(c) the number of hours during which the well was on injection or used for disposal during the month; and

(d) details of any inventories, consumption, losses and deliveries of water, gas or other substance associated with the operation of that well or multi-well facility during the month, including details of deliveries to facilities outside Saskatchewan.

(16) Every operator of a well, battery, facility or unit, and every special operator who disposes of oil, gas or any other product produced from or allocated to a well, battery, facility or unit, shall submit any other reports, statements or information that the minister may require.

5 Jan 2001 SR 106/2000 s7.

102 Repealed. 5 Jan 2001 SR 106/2000 s8.

Report of oil and gas purchases and sales

102.1(1) Every person who, during a month, purchases oil produced in Saskatchewan shall submit to the department a report showing:

(a) the quantities and the values of purchases;

(b) the source where the oil was produced;

(c) the name of the source producer;

(d) the point of purchase;

(e) the density and sulphur content of the oil purchased; and

(f) any other information that the minister may require.

(2) Every person who, during a month, purchases an oil stream that contains oil produced in Saskatchewan, including an oil stream that also contains oil produced outside of Saskatchewan, shall submit to the department a report showing:

(a) the quantities and the values of purchases;

(b) the name of the previous purchaser of the oil stream;

(c) the point of purchase;

(d) the name of the oil stream;

(e) the density and sulphur content of the purchased oil stream; and

(f) any other information that the minister may require.

(3) Every person who, during a month, sells to another purchaser or delivers to a refinery an oil stream containing oil produced in Saskatchewan, including an oil stream that also contains oil produced outside of Saskatchewan, shall submit to the department a report showing:

(a) the quantities and the values of sales;

(b) the name of the purchaser of the oil stream or refinery name and location;

(c) the point of sale;

(d) the name of the oil stream;

(e) the density and sulphur content of the oil stream sold; and

(f) any other information that the minister may require.

(4) Every person who, during a month, purchases natural gas and natural gas liquids produced in Saskatchewan shall submit to the department a report showing:

(a) the purchases and disposition of those purchases; and

(b) any other information that the minister may require.

(5) Reports required pursuant to subsections (1) to (4) must:

(a) be complete and accurate;

(b) be made in the form and manner required by the minister; and

(c) be submitted on or before the last day of each month for the preceding month with respect to which the report was prepared, unless otherwise approved.

4 Jly 97 SR 50/97 s24; 5 Jan 2001 SR 106/2000 s9.

Arm's-length contract to be submitted

102.2(1) A producer or operator who is a seller of gas produced in Saskatchewan shall submit to the minister an executed copy of the first arm's-length written gas sales contract for the gas or a statement in writing of the terms and conditions of the first arm's-length unwritten gas sales contract for the gas, as the case may require, within 30 days after:

(a) the day of execution of the gas sales contract that is in writing; or

(b) the day on which the gas sales contract that is not in writing is entered into.

(2) If an amendment is made to a term or condition of a gas sales contract mentioned in subsection (1), the producer or operator shall submit to the minister, within 30 days after the day on which the amendment is executed or entered into, as the case may be:

(a) an executed copy of the amendment if the gas sales contract is in writing; or

(b) a statement in writing of the terms and conditions of the amendment if the gas sales contract is not in writing.

(3) If a producer or operator becomes aware that any information submitted pursuant to subsection (1) or (2) is incorrect, the producer or operator shall submit the correct information to the minister within 30 days after the day on which the producer or operator becomes aware that the information previously submitted is incorrect.

5 Jan 2001 SR 106/2000 s10.

Transporters' statements

103 Every person who during a month receives and transports oil, gas or other petroleum-related products that are produced in Saskatchewan shall submit to the department a statement showing the following for that month:

(a) quantities received from supply sources, including receipts from supply sources that are outside Saskatchewan;

(b) supply details and receipts, including source well, facility, battery, system, cavern, pool, field, gathering or tariff area, receipt point, meter station, source province or state, source producer, quality information and whether the oil, gas or product was received by truck or pipeline;

(c) quantities delivered or transported;

(d) delivery details, including the names of shippers, oil stream type, receiving system, receiving facility, delivery point and final consumer;

(e) inventories, losses, adjustments and consumption;

(f) any other information that the minister may require.

5 Jan 2001 SR 106/2000 s11.

Refiners' statements

104 Every person who during a month operates a refinery or upgrader shall submit to the department a statement showing the following for that month:

(a) quantities of oil, gas or other petroleum-related products received from supply sources, including receipts from supply sources that are outside Saskatchewan;

(b) supply details, including source supplier, stream type, quality information, source pipeline, source facility and source province or state;

(c) values of each quantity received;

(d) quantities of refined products produced, consumed, delivered, transported and sold;

(e) refined product disposition details, including value of sales and destination;

(f) inventories, losses, adjustments and consumption;

(g) any other information that the minister may require.

5 Jan 2001 SR 106/2000 s12.

Plant statements

105(1) Every person who during a month operates a plant engaged in the processing, scrubbing or purification of gas shall submit to the department a statement showing the following for that month:

(a) quantities of raw or marketable gas or any other products received from supply sources, including receipts from supply sources that are outside Saskatchewan;

(b) value of raw or marketable gas or any other products received;

(c) supply details, including source producer, source well, facility, battery, system, cavern, pool, field, receipt point, meter station and source province or state;

(d) quantities of products derived;

(e) product quantities delivered, transported and disposed of;

(f) values of products delivered or sold;

(g) delivery details, including receiving system, facility, pipeline, delivery point, meter station and final consumer;

(h) inventories, losses, adjustments and consumption;

(i) any other information that the minister may require.

(2) Every person who during a month operates a cleaning or treating plant shall submit to the department a statement showing the following for that month:

(a) for a cleaning or treating plant operating within Saskatchewan, the receipt details of any oil, gas, water or any other product that is produced in Saskatchewan and received from outside Saskatchewan;

(b) for a cleaning or treating plant operating outside Saskatchewan, the receipt details of oil, gas, water or any other product that is produced in Saskatchewan;

(c) supply details, including source well, facility, battery and source producer;

(d) quantities delivered or sold and details of deliveries, including receiving facility, system, battery, shipper, purchaser and point of sale;

(e) inventories, losses, adjustments and consumption;

(f) any other information that the minister may require.

5 Jan 2001 SR 106/2000 s13.

Form of statement

105.1 A statement required to be submitted pursuant to sections 103 to 105 must:

(a) be complete and accurate;

(b) be made in the form and manner required by the minister; and

(c) be submitted on or before the last day of the month immediately following the end of the month with respect to which the report or statement is prepared, unless otherwise approved.

5 Jan 2001 SR 106/2000 s13.

Notification of spills, fires, etc.

106(1) The operator of a well, facility, pipeline or flowline shall orally report, by the most expeditious method, the size of, and location of, the following to the appropriate field office of the department:

(a) a fire;

(b) a blow-out;

(c) a break in, contact damage to or leak from a pipeline or flowline, other than where notification is made pursuant to section 20 of *The Pipelines Regulations, 2000* and a written report is submitted pursuant to section 21 of *The Pipelines Regulations, 2000*;

(d) an escape or release of a substance that contains hydrogen sulphide in a concentration equal to or greater than 1000 parts per million or 1.0 moles H_2S/kilomole as measured at the edge of the lease or property boundary; or

(e) a break, leak, malfunction of any equipment, or intentional or unintentional action that results in the escape or release of:

(i) oil, salt water, condensate, oil and gas waste or product if any volume escapes or is released:

(A) beyond the property that the licensee owns or leases, including releases that occur while the substance is being transported by a vehicle; or

(B) in an amount equal to or greater than 2.0 cubic metres within the property that the operator owns or leases; or

(ii) refined chemicals used in or in association with the maintenance, production or operation of a well, facility, pipeline or flowline if any volume escapes or is released in an amount equal to or greater than 0.5 cubic metres and is contained within the property that the licensee or operator owns or leases.

(2) Unless otherwise approved by the minister, within 90 days after the report is made pursuant to subsection (1), the operator shall submit a written report to the minister containing the following information:

(a) the exact location of the event mentioned in subsection (1), including:

(i) the legal subdivision, section, township and range of the event; and

(ii) any other geographic or other information that may be necessary to establish the exact location of the event mentioned in subsection (1);

(b) an estimate of the initial oil, salt water, condensate, product or gas lost and a further estimate of any subsequent recovery;

(c) the time the event mentioned in subsection (1) occurred;

(d) a description of the circumstances leading to the event mentioned in subsection (1);

(e) a discussion of the containment and recovery procedures respecting the event mentioned in subsection (1);

(f) a discussion of steps to be taken to prevent similar future events similar to the event mentioned in subsection (1);

(g) any other information that the minister may require.

(3) Unless otherwise approved by the minister, an operator described in subsection (1) shall:

(a) reclaim the area impacted by the event mentioned in subsection (1) to standards specified by the minister; and

(b) submit a reclamation report to the minister in a format specified by the minister.

25 May 2007 SR 38/2007 s35.

Access to well, plant records, etc.

107(1) At all reasonable times, the minister or his representative is entitled to:

(a) have access to any well, equipment, plant or records;

(b) enter on and inspect any well or place where oil or gas is refined, handled, processed or treated or any place used or occupied in connection with a well or place where oil or gas is refined, handled, processed or treated;

(c) inspect all books, documents, records, plants and equipment pertaining to any well or place described in clause (b);

(d) after having notified the operator in sufficient time to enable him to have a representative present, take samples or to carry out tests or examinations in accordance with good field practice.

(2) Every person authorized by the minister to exercise the powers conferred on him pursuant to subsection (1) shall, on request, produce his certificate of authority from the minister at any time during which he is exercising those powers.

(3) Notwithstanding any other provision of these regulations, the operator shall file any information with respect to drilling and production of any well that the minister may require at a time and place specified by the minister.

15 Mar 85 cO-2 Reg 1 s107.

Release of drilling information and confidential status

108(1) In this section, **"pool"** means a pool established pursuant to clause 17(1)(a) of the Act.

(2) If a well or structure test hole is not located within the boundaries of a pool on its finished drilling date, the minister shall hold in confidence all information obtained from the drilling of the well or structure test hole submitted to the minister as required by the Act and these regulations or an order made pursuant to the Act:

(a) for a period of one year from the finished drilling date; or

(b) for a period not exceeding 18 months from the finished drilling date if:

(i) circumstances that the minister considers exceptional exist; and

(ii) the minister approves the longer confidential period for that information.

(3) If a well or structure test hole is located within the boundaries of a pool on its finished drilling date, the minister shall hold in confidence all information obtained from the drilling of the well or structure test hole submitted to the minister as required by the Act and these regulations or an order made pursuant to the Act for a period of:

(a) 30 days after the finished drilling date;

(b) one year, if the well is to be drilled more than 150 metres below the datum of the lower-most producing horizon in the pool as provided by minister's order and the licensee makes a written request in a format determined by the minister; or

(c) one year if, within 30 days after the finished drilling date, the licensee establishes to the satisfaction of the minister that the well is completed exclusively in a pool deeper than the designated horizon in an existing pool.

(4) Unless otherwise specified by the minister in an order made by the minister pursuant to clause 17(1)(a) of the Act, the confidential status and period of a well or structure test hole is not to be changed if the boundaries of a pool are altered to exclude or include wells or structure test holes that were previously located within or not located within the boundaries of that pool.

(5) No person shall release for public inspection, without the written consent of the licensee of the well, any information obtained from drilling a well and submitted to the minister as required by the Act and the regulations or orders made pursuant to the Act before the time it ceases to have confidential status.

25 May 2007 SR 38/2007 s36.

PART XIV.1
Waste Processing Facilities

Interpretation of Part

108.1 In this Part, **"existing waste processing facility"** means a waste processing facility that, on the day on which this Part comes into force:

(a) is constructed;

(b) is being constructed; or

(c) is in operation.

26 May 89 SR 25/89 s10.

Approval

108.2(1) Where the minister is satisfied that it is appropriate to do so, the minister may approve the construction and operation of a waste processing facility.

(2) The minister may impose any terms and conditions on an approval pursuant to subsection (1) that the minister considers appropriate.

(3) This section does not apply to a landfill or a site for which a permit for the purpose of surface waste disposal has been issued pursuant to *The Environmental Management and Protection Act, 2002*.

26 May 89 SR 25/89 s10; 25 May 2007 SR 38/2007 s37.

Prohibition

108.3(1) Subject to subsection (2), no person shall construct or operate a waste processing facility without the approval of the minister.

(2) No person shall operate an existing waste processing facility without the approval of the minister after the earlier of:

(a) the expiry of 182 days after the day on which this Part comes into force; or

(b) the day on which the person is served with notice that the person's application for approval has been denied by the minister.

26 May 89 SR 25/89 s10.

Application

108.4 An application for an approval pursuant to subsection 108.2(1) shall be submitted to the minister on a form supplied by the department.

26 May 89 SR 25/89 s10.

Monthly report

108.5(1) The operator of a waste processing facility shall submit to the department a complete and detailed statement setting out for the month with respect to which the report is prepared:

(a) the quantities and values of waste products received during the month, itemized by place of origin and supplier;

(b) opening and closing inventories;

(c) the disposition of all fluids and solids reclaimed; and

(d) any other information that the minister considers necessary.

(2) The report required to be submitted pursuant to subsection (1) must be submitted:

(a) on or before the last day of the month following the month with respect to which the report is prepared, unless otherwise approved; and

(b) on an approved form.

13 Sep 91 SR 79/91 s42.

Shutting down

108.6(1) Where, in the opinion of the minister, the operator of a waste processing facility has contravened:

(a) the Act;

(b) any regulations made pursuant to the Act;

(c) any order issued pursuant to the Act; or

(d) any term or condition of any licence or ministerial approval issued pursuant to the Act with respect to the facility;

the minister may order the operator to shut down the facility.

(2) Where the operator of a waste processing facility fails to comply with an order made pursuant to subsection (1), the minister may seal or cause to be sealed any valve or meter installed at the waste processing facility.

(3) The minister shall give written notice to the operator of the waste processing facility of the affixing of any seal pursuant to subsection (2) and the reasons for it.

(4) Except in the case of an emergency, no person shall:

(a) tamper with; or

(b) remove;

a seal affixed pursuant to subsection (2) without the permission of the minister.

26 May 89 SR 25/89 s10.

PART XIV.2

General

Filing of forms, reports, statements and well data

108.7 Every person required to file or submit a sample, core, analysis, log, survey, test, form, report, statement or application pursuant to the Act, regulations or orders of the minister shall file or submit a complete and accurate sample, core, analysis, log, survey, test, form, report, statement or application in the form and manner required by the minister and within the time prescribed by the Act, regulations or orders of the minister, as the case may be.

5 Jan 2001 SR 106/2000 s15.

Confidentiality of information submitted

108.71(1) Information submitted to or acquired by the department on forms, reports, statements or gas sales contracts pursuant to sections 101 to 105 and section 108.5 is, subject to subsection (2), confidential.

(2) The following information is not confidential and may be made available to the public:

(a) the surface and bottom hole locations, operator, well type and status, producing or injection horizon, crude type and producing or activity dates of a well or facility;

(b) monthly, yearly and cumulative totals of oil, gas, water or any other substance produced from a well and the hours on production;

(c) monthly, yearly and cumulative totals of fluid or any other substance injected or disposed into a well or an underground storage facility and the hours on injection;

(d) monthly, yearly and cumulative totals of oil, gas, water or any other substance produced from a pool, unit, project or facility;

(e) monthly, yearly and cumulative totals of fluid or any other substance injected or disposed into a pool, unit, project or facility;

(f) monthly, yearly and cumulative totals of oil, gas, water or any other substance that is produced, injected, received, delivered, disposed, transported, sold, purchased or consumed.

(3) Where information submitted to or acquired by the department is not available to the public because it is confidential, the minister may, with the written consent of the person by whom it was submitted or from whom it was acquired, make the information available to the public.

(4) Notwithstanding subsection (1), the minister may make any information available to a peace officer or to any of the following if the minister considers it to be in the public interest to do so and if the minister is satisfied that the recipient of the information will, to the extent consistent with the intended use of the information, keep the information confidential:

(a) the government of a foreign country or state;

(b) the Government of Canada;

(c) the Government of another province or territory of Canada;

(d) a municipality;

(e) any other department of the Government of Saskatchewan;

(f) an agency of any of the entities mentioned in clauses (a) to (e).

5 Jan 2001 SR 106/2000 s15.

Penalty

108.8(1) The penalty for failing to comply with section 108.7 respecting a sample, core, analysis, log, survey, test, form or report required for a well pursuant to section 31, Part XIII or section 95 by the prescribed date is $100 per day for each well with one or more samples, cores, analyses, logs, surveys, tests, forms or reports that are late or deficient.

(2) The penalty for failing to comply with section 108.7 respecting a form, report, statement or application required pursuant to section 101, 102.1, 103, 104, 105, 105.1 or 108.5 by the prescribed date is $10 per day for each form, report, statement or application that is late or deficient.

(3) For the purposes of subsections (1) and (2), a sample, core, analysis, log, survey, test, form, report, statement or application required to be filed or submitted is not considered to be filed or submitted until it has been received at the department's offices in Regina.

(4) The minister may, in writing, waive the payment of the whole or any portion of a penalty prescribed in subsection (1) or (2) where:

(a) the penalty, or a portion of the penalty, was levied in error;

(b) the failure to comply with section 108.7 was due to a cause outside the control of the person required to comply with that provision and could not have been avoided by the exercise of due care; or

(c) in the minister's opinion, it is appropriate and in the public interest to do so.

5 Jan 2001 SR 106/2000 s15.

Manner of publishing orders

108.9 For the purposes of subsection 19(1) of the Act, the prescribed manner of publishing an order made pursuant to the Act is by posting it on the department's Internet website.

16 Sep 2005 SR 88/2005 s6.

PART XV
Repeal and Coming into Force

Repeal

109 *The Oil and Gas Conservation Regulations, 1969* being Order in Council 2272/68 are repealed.

15 Mar 85 cO-2 Reg 1 s109.

TABLE 1
[*Section 84*]

Specifications and Requirements of Core Boxes

DIAMETER OF CORE (in centimetres)	MAXIMUM OUTSIDE DIMENSION OF BOX (in centimetres)			ROWS PER BOX
	LENGTH	WIDTH	HEIGHT	
6.0 to 7.6	80	17.0	8.5	2
7.7 to 8.9	80	20.5	10.0	2
9.0 to 11.4	80	12.5	12.0	1
11.5 to 14.0	80	15.5	15.0	1

1. One end of the lid of the core box and one end of the body of the core box is to be marked to indicate:

(a) the name, licence number and location of the well;

(b) the core number and its depth interval; and

(c) the box number expressed as, " _____ of _____ boxes".

2. The top of the core is to be placed at the labelled end of the body of the core box and the top and bottom of the core are to be legibly marked on a conspicuous part of the body of the core box.

3. The body of the core box is to contain a single folded divider covering the bottom of the box and extending upwards to separate the rows of core.

4. No flaps covering the core are to be used.

15 Mar 85 cO-2 Reg 1; 5 Jan 2001 SR 106/2000 s17.

Appendix 1

FEES

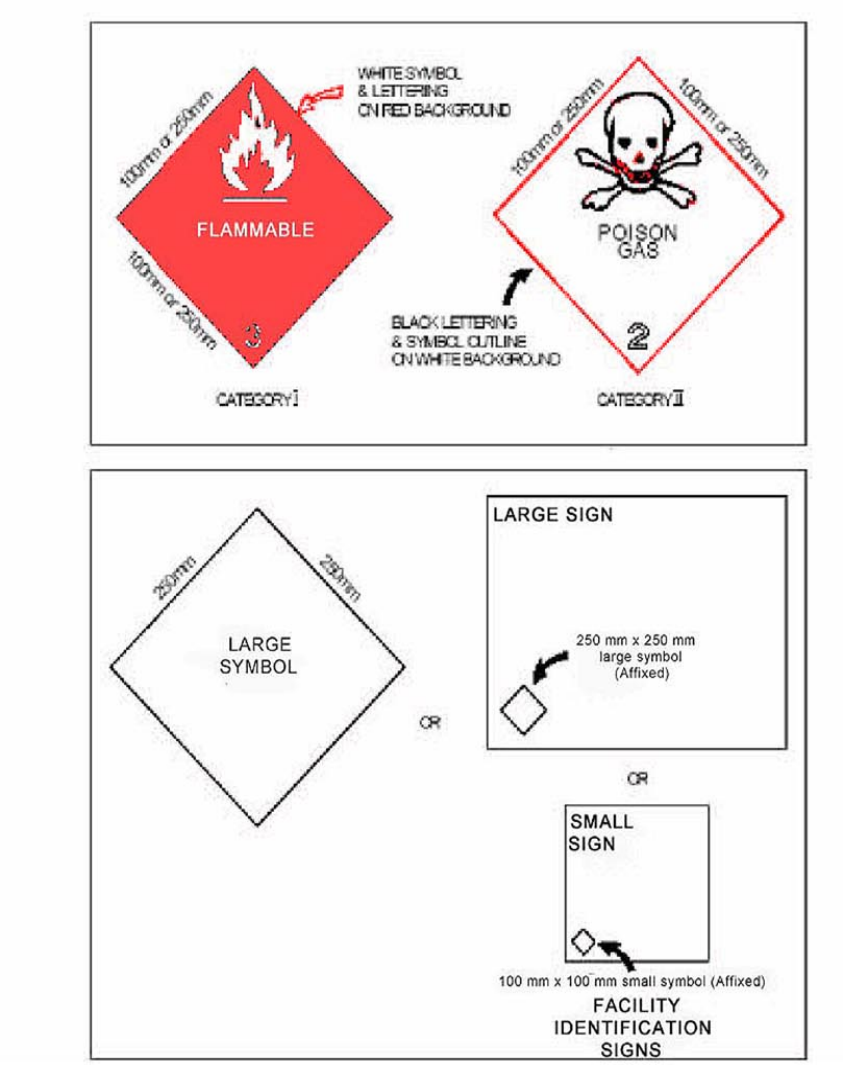
DESCRIPTION	AMOUNT
1. Processing fee for a well licence application (section 10)	$500.00
2. Processing fee for upstream facility licence application (section 10.2)	500.00
3. Processing fee for licence application to deepen or respud an abandoned well (section 11)	225.00
4. Processing fee for permit to drill a structure test hole or oil shale core hole (section 12)	30.00
5. Processing fee for application to transfer a well licence (section 18)	50.00
6. Processing fee for application to transfer an upstream facility (section 18)	100.00
7. Processing fee for application to change of a well name (sections 7 and 8)	50.00
8. Processing fee for application for licence to remove production casing from an abandoned well (section 41)	110.00

All processing fees specified in Appendix 1 are non-refundable.

May 2007 SR 38/2007 s38.

Appendix 1.1

WARNING SYMBOLS
[*Subsection 9(8)*]



25 May 2007 SR 38/2007 s39.

Appendix 2

AVERAGE PRODUCING DEPTHS FOR ESTABLISHED POOLS
[*Section 108*]

Repealed. 4 Jly 97 SR 50/97 s29.

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