

# *The Recovered Crude Oil Tax Regulations*

*Repealed*

by [Chapter F-22.11 Reg 2](#) (effective April 1, 2012).

*Formerly*

[Chapter F-22.1 Reg 3](#) (effective January 1, 2002) as amended  
by Saskatchewan Regulations [16/2006](#).

## **NOTE:**

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

## Table of Contents

<b>PART I</b>		<b>PART III</b>	
<b>Preliminary Matters</b>		<b>Administration and Enforcement</b>	
1	Title	15	Investigation
2	Interpretation	16	Production of records
3	Application of regulations	17	Copies of records
<b>PART II</b>		18	Confidentiality
<b>Recovered Crude Oil Tax</b>		<b>PART IV</b>	
4	By whom to be paid	<b>General</b>	
5	Operator to collect tax and remit to minister	19	Notices of working interests
6	Special operator to determine tax and remit to minister	20	Records of account
7	Recovered crude oil tax	21	Information re tax to be provided to minister
8	Limitation on deductions	21.1	Forms prescribed
9	Calculation of recovered crude oil tax	<b>PART V</b>	
10	Price of recovered crude oil	<b>Transitional and Coming Into Force</b>	
11	Price to be determined by minister	22	Transitional
12	Interest rate	23	Coming into force
13	Election to apply credits		
14	Application of section 13		

## CHAPTER F-22.1 REG 3

### *The Freehold Oil and Gas Production Tax Act*

#### PART I

#### Preliminary Matters

##### Title

1 These regulations may be cited as *The Recovered Crude Oil Tax Regulations*.

##### Interpretation

2(1) In these regulations:

- (a) **“Act”** means *The Freehold Oil and Gas Production Tax Act*;
- (b) **“operator”** means:
  - (i) the person:
    - (A) designated in accordance with subsection 4(3); and
    - (B) listed as the operator of the crude oil recovery facility on the department’s records for the purposes of these regulations; or
  - (ii) any other person designated by the minister pursuant to subsection 4(4) as the operator of a crude oil recovery facility for the purposes of these regulations;
- (c) **“special operator”** means a taxpayer:
  - (i) who disposes of recovered crude oil separately from the operator or other taxpayers; and
  - (ii) who has been designated by the minister pursuant to subsection 4(4) as a special operator respecting the recovered crude oil for the purposes of these regulations;
- (d) **“tax”** means the recovered crude oil tax imposed by section 32.11 of the Act;
- (e) **“waste facility”** means a crude oil recovery facility that:
  - (i) receives waste material from any oil or gas field operation in Saskatchewan for the purpose of processing or disposing of that material;
  - (ii) is not primarily used for the purpose of skimming oil from waste water before the water is disposed; and
  - (iii) has been approved in writing by the minister as a waste facility for the purposes of these regulations;

- (f) “**waste material**” means physical waste as that term is ordinarily understood in relation to the activities of the oil and gas industry;
- (g) “**working interest**” means an interest in recovered crude oil that:
- (i) entitles a person to share in the proceeds from the disposition of the recovered crude oil; and
  - (ii) requires a person to bear or contribute to the costs associated with the recovery of the recovered crude oil.
- (2) For the purposes of these regulations:
- (a) related persons, as determined in accordance with the *Income Tax Act* (Canada), are deemed not to deal with each other at arm’s length; and
  - (b) it is a question of fact whether persons not related to each other, as determined in accordance with the *Income Tax Act* (Canada), were at a particular time dealing with each other at arm’s length.

22 Nov 2002 cF-22.1 Reg 3 s2.

#### Application of regulations

##### 3 These regulations apply:

- (a) with respect to a waste facility, to all recovered crude oil that was sold on or after January 1, 2000; and
- (b) with respect to a crude oil recovery facility, other than a waste facility, to all recovered crude oil that was sold on or after July 1, 2001.

22 Nov 2002 cF-22.1 Reg 3 s3.

## PART II Recovered Crude Oil Tax

#### By whom to be paid

- 4(1) Every person who holds a working interest in recovered crude oil shall pay the taxes respecting the recovered crude oil:
- (a) in accordance with that person’s proportionate share of the aggregate of the working interests in the recovered crude oil; and
  - (b) in accordance with these regulations.
- (2) Every operator or special operator, as the case may be, shall remit the taxes respecting recovered crude oil to the minister in accordance with these regulations.
- (3) The persons responsible to pay tax on recovered crude oil with respect to a crude oil recovery facility, with the exception of a special operator, shall designate one person as the operator of the facility for the purposes of remitting taxes to the minister on their behalf.
- (4) The minister may designate any person that the minister considers appropriate in the circumstances as an operator or special operator respecting recovered crude oil.

22 Nov 2002 cF-22.1 Reg 3 s4.

**Operator to collect tax and remit to minister**

5(1) Every operator is deemed to be an agent of the Crown for the purposes of determining, collecting and remitting the taxes.

(2) Every operator shall deduct from amounts payable by the operator to each taxpayer with respect to any recovered crude oil sold an amount equal to the lesser of:

- (a) the entire amount payable; and
- (b) the taxes on that recovered crude oil that the taxpayer is liable to pay pursuant to these regulations, to the extent that they have not previously been deducted.

(3) All amounts deducted by an operator pursuant to subsection (2) are deemed to have been received by the taxpayer at the time they were deducted by the operator.

(4) When a payment is due pursuant to subsection 7(1) and the operator of the crude oil recovery facility from which the oil is recovered has not deducted the full amount of the taxes payable on the recovered crude oil that the taxpayer is liable to pay, the taxpayer shall remit to the operator the full amount of those taxes less any amount that the operator has deducted pursuant to subsection (2).

(5) All amounts deducted by an operator pursuant to subsection (2) and all amounts remitted to an operator pursuant to subsection (4) are deemed to be held in trust by the operator for the Crown until those amounts are remitted to the minister pursuant to section 7.

(6) Any amount held in trust by an operator pursuant to subsection (5) is deemed not to form part of the operator's estate or property for any purpose but is and remains the property of the Crown, whether or not that amount is in fact kept separate and apart from the operator's own estate or property.

(7) Without limiting the liability of any taxpayer for any taxes payable pursuant to these regulations and in addition to any other liability or penalty to which the taxpayer may be subject pursuant to these regulations, any operator who fails to remit any amount as required by this section is personally liable for and shall pay to the minister an amount equal to the aggregate of all amounts that the operator failed to remit or any lesser amount that the minister may demand.

22 Nov 2002 cF-22.1 Reg 3 s5.

**Special operator to determine tax and remit to minister**

6(1) A special operator shall determine the taxes payable on the recovered crude oil that has been sold by the special operator and remit those taxes to the minister in accordance with section 7.

(2) When a special operator sells recovered crude oil, the operator of the crude oil recovery facility from which the crude oil was recovered shall:

- (a) respecting the recovered crude oil, determine the special operator's tax share pursuant to subsection (3) and provide that information to the special operator;
- (b) provide the special operator with all other information necessary to enable the special operator to comply with subsection (1); and
- (c) provide the information mentioned in clauses (a) and (b) in sufficient time to enable the special operator to comply with subsection (1).

(3) The special operator's tax share of recovered crude oil sold in a month is the amount TS calculated in accordance with the following formula and expressed in cubic metres rounded to the nearest tenth:

$$TS = PS \times TR \times RCO$$

where:

PS is the special operator's proportionate share of the recovered crude oil that was sold in the month with respect to a crude oil recovery facility;

TR is the tax rate applicable to the recovered crude oil determined in accordance with subsections 9(3) and 9(4); and

RCO is the total amount of recovered crude oil, expressed in cubic metres rounded to the nearest tenth, sold in the month with respect to a crude oil recovery facility.

(4) With respect to the recovered crude oil that the special operator sells, the operator is relieved from any obligation to remit to the minister all amounts that the special operator is liable to pay to the Crown respecting that recovered crude oil on account of a tax calculated pursuant to these regulations.

22 Nov 2002 cF-22.1 Reg 3 s6.

#### **Recovered crude oil tax**

7(1) On or before the last day of the month following the month in which recovered crude oil was sold, the operator or special operator, as the case may be, shall submit to the minister:

- (a) the tax payment calculated in accordance with section 9; and
- (b) a return in a form acceptable to the minister that supports the tax payment.

(2) Recovered crude oil tax payments must be:

- (a) determined for each crude oil recovery facility; and
- (b) calculated monthly.

(3) Recovered crude oil tax payments that are required to be remitted to the minister are not considered to be remitted until they are received by the minister at the offices of the department in Regina.

(4) If a recovered crude oil tax payment calculated in accordance with section 9 is equal to zero, the operator or special operator, as the case may be, is still required to submit to the minister a return in a form acceptable to the minister that supports the tax payment calculation in the time required pursuant to subsection (1).

22 Nov 2002 cF-22.1 Reg 3 s7.

#### **Limitation on deductions**

8 Except to the extent permitted by these regulations, no allowance, credit or other deduction shall be made or taken in calculating, paying or remitting any of the taxes.

22 Nov 2002 cF-22.1 Reg 3 s8.

**Calculation of recovered crude oil tax**

9(1) In this section:

(a) **“heavy oil”** means:

(i) all recovered crude oil that is recovered from a crude oil recovery facility located West of the Third Meridian in Saskatchewan; or

(ii) any other recovered crude oil approved in writing by the minister as heavy oil for purposes of these regulations;

(b) **“new oil”** means new oil as defined in *The Freehold Oil and Gas Production Tax Regulations, 1995*;

(c) **“non-heavy oil”** means all recovered crude oil that is not heavy oil;

(d) **“southwest designated oil”** means southwest designated oil as defined in *The Freehold Oil and Gas Production Tax Regulations, 1995*.

(2) The recovered crude oil tax payment for each taxpayer for recovered crude oil sold in a month is the amount TP calculated in accordance with the following formula:

$$TP = P \times PS \times TR \times RCO$$

where:

P is the price, expressed in dollars per cubic metre rounded to the nearest cent, determined for the taxpayer pursuant to section 10 for recovered crude oil sold in the month with respect to the crude oil recovery facility;

PS is the taxpayer’s proportionate share of the recovered crude oil sold in the month with respect to the crude oil recovery facility;

TR is the tax rate applicable to the recovered crude oil determined in accordance with subsections (3) and (4); and

RCO is the total amount of recovered crude oil, expressed in cubic metres rounded to the nearest tenth, sold in the month with respect to the crude oil recovery facility.

(3) Subject to subsection (4), the tax rate to be applied to recovered crude oil that is sold in a month from a crude oil recovery facility is the greater of:

(a) zero; and

(b) the amount TR calculated in accordance with the following formula and expressed as a percentage:

$$TR = \left[ K - \frac{X}{RCO} \right] - PTF$$

where:

K is:

(i) for recovered crude oil that is heavy oil, the factor K determined for the month pursuant to section 9 of *The Freehold Oil and Gas Production Tax Regulations, 1995* for heavy oil that is also new oil; and

(ii) for recovered crude oil that is non-heavy oil, the factor K determined for the month pursuant to section 9 of *The Freehold Oil and Gas Production Tax Regulations, 1995* for non-heavy oil that is not southwest designated oil and that is also new oil;

RCO is the total amount of recovered crude oil, expressed in cubic metres rounded to the nearest tenth, sold in the month with respect to the crude oil recovery facility;

PTF is the factor PTF determined for the month pursuant to section 9 of *The Freehold Oil and Gas Production Tax Regulations, 1995*, that is applicable to new oil produced from or allocated to any freehold lands that are not Crown-acquired lands; and

X is:

(i) for recovered crude oil that is heavy oil, the factor X determined for the month pursuant to section 9 of *The Freehold Oil and Gas Production Tax Regulations, 1995* for heavy oil that is also new oil; and

(ii) for recovered crude oil that is non-heavy oil, the factor X determined each month pursuant to section 9 of *The Freehold Oil and Gas Production Tax Regulations, 1995* for non-heavy oil that is not southwest designated oil and that is also new oil.

(4) The tax rate to be applied to recovered crude oil that is sold in a month from a crude oil recovery facility that is also a waste facility is the lesser of:

- (a) the amount determined pursuant to subsection (3); and
- (b) 10%.

22 Nov 2002 cF-22.1 Reg 3 s9.

**Price of recovered crude oil**

**10(1)** In this section, “**allowable transportation expenses**” means:

- (a) trucking expenses incurred by the taxpayer in transporting recovered crude oil to the delivery point specified in an arm’s length agreement for the sale of that recovered crude oil; and
- (b) any other reasonable transportation expenses that are approved by the minister as allowable transportation expenses.

(2) Subject to subsections (4) and (5), the price of recovered crude oil, with respect to a crude oil recovery facility, that is sold pursuant to one or more arm’s length agreements during a month, is the greater of:

- (a) zero; and
- (b) the amount P calculated in accordance with the following formula and rounded to the nearest cent:

$$P = \frac{TV - TE}{RCO}$$

where:

TV is the total value at the point of sale of the recovered crude oil sold during the month with respect to the arm’s length agreements;

TE is the allowable transportation expenses respecting that recovered crude oil; and

RCO is the total amount of recovered crude oil, expressed in cubic metres rounded to the nearest tenth, sold in the month with respect to the crude oil recovery facility.

(3) If recovered crude oil is blended with another quality of oil, condensate or other substance before being sold during a month with respect to a crude oil recovery facility, the price of the recovered crude oil that is sold pursuant to one or more arm's length agreements during the month is the greater of:

- (a) zero; and
- (b) the amount P calculated in accordance with the following formula and rounded to the nearest cent:

$$P = \frac{BV - (OS + TE + OC)}{RCO}$$

where:

BV is the total arm's length value at the point of sale of the blended volume sold during the month;

OS is the total arm's length value of the oil, condensate or other substance that was blended with the recovered crude oil during the month;

TE is the allowable transportation expenses respecting that recovered crude oil;

OC is any other arm's length charges approved by the minister; and

RCO is the total amount of recovered crude oil, expressed in cubic metres rounded to the nearest tenth, that was included in the blended volume.

(4) If, in the opinion of the minister, an arm's length agreement mentioned in subsection (2) or (3) is entered into for the purpose of transporting recovered crude oil, the price received pursuant to subsequent arm's length agreements for the sale of the recovered crude oil, other than those entered into for the purposes of transporting the recovered crude oil, must be used to determine the price of the recovered crude oil pursuant to subsection (2) or (3), as the case may be.

(5) The minister may, pursuant to section 11, determine the price of recovered crude oil sold during a month in circumstances where:

- (a) the minister is satisfied that there is no agreement for the sale of the recovered crude oil or that no arm's length transaction has occurred;
- (b) there is a consideration for the sale of the recovered crude oil in addition to or instead of the price specified in an arm's length agreement;

**F-22.1 REG 3****RECOVERED CRUDE OIL TAX**

- (c) the minister believes that one of the purposes of a transaction evidenced by an agreement for the sale of the recovered crude oil is to reduce, unduly or artificially, the liability of a taxpayer to pay tax on the recovered crude oil; or
- (d) the operator or special operator with respect to a crude oil recovery facility, as the case may be, and the minister agree, for administrative reasons, that a price equal to an average provincial oil price would be appropriate.

22 Nov 2002 cF-22.1 Reg 3 s10.

**Price to be determined by minister**

11(1) If in the minister's opinion, one of the circumstances mentioned in subsection 10(5) exists, the minister may determine a price that, in the minister's opinion, accurately reflects a fair price for the recovered crude oil.

(2) Before determining a price in accordance with subsection (1), the minister shall consider the following:

- (a) the arm's length prices received by the operator or special operator, as the case may be, for the sale of similar quality oil in similar markets;
- (b) the arm's length prices received by other operators or special operators, as the case may be, for the sale of similar quality oil in similar markets;
- (c) the arm's length prices received by the operator or special operator, as the case may be, for sales of similar quality oil in other markets;
- (d) any other price information provided by the operator or special operator that the minister considers appropriate in the circumstances.

(3) If the minister determines a price in accordance with subsection (1), the minister shall provide written notice of the price to the operator or special operator, as the case may be.

22 Nov 2002 cF-22.1 Reg 3 s11.

**Interest rate**

12(1) Subject to subsection (2), for the purposes of section 32.41 of the Act, a rate of interest of 1.5% per month or part of a month is prescribed.

(2) Notwithstanding subsection (1), if the amount of interest owing pursuant to subsection (1) is less than \$10, the taxpayer is required to remit \$10 to the minister.

22 Nov 2002 cF-22.1 Reg 3 s12.

**Election to apply credits**

13(1) In this section and in section 14, "**credits**" means credits earned by the operator or special operator pursuant to section 6 of *The Petroleum Research Incentive Regulations*.

(2) An operator or special operator who has entered into an agreement with the minister pursuant to *The Petroleum Research Incentive Regulations* may, instead of remitting any portion of any taxes that are to be remitted to the minister pursuant to these regulations, elect to apply credits in an amount equal to that portion by completing a form approved by the minister.

(3) Notwithstanding that an operator or special operator does not remit any portion of any taxes pursuant to an election, the operator or special operator shall:

- (a) calculate the amount of taxes; and
- (b) submit to the minister a return in a form acceptable to the minister that supports the tax payment calculation in the time required pursuant to subsection 7(1).

22 Nov 2002 cF-22.1 Reg 3 s13.

**Application of section 13**

14(1) Section 13 applies only to taxes payable pursuant to these regulations with respect to recovered crude oil sold between the end of the month in which these regulations come into force and March 31, 2012.

(2) If an operator or special operator remits taxes, the operator or special operator is not subsequently entitled:

- (a) to apply credits in place of remitting those taxes; or
- (b) to a refund of any amount remitted.

(3) Nothing in section 13 relieves an operator or special operator of the obligation to make reports and provide information to the minister in accordance with these regulations.

22 Nov 2002 cF-22.1 Reg 3 s14; 17 Mar 2006 SR 16/2006 s3.

**PART III  
Administration and Enforcement**

**Investigation**

15(1) In this Part:

- (a) **“minister”** means the member of the Executive Council to whom for the time being the administration of the Act is assigned, or any person authorized by the minister pursuant to subsection (2);
- (b) **“record”** means a book, paper, document or thing, whether in electronic form or otherwise, that may contain information related to:
  - (i) the recovery of crude oil from a crude oil recovery facility; and
  - (ii) the sale of crude oil recovered from a crude oil recovery facility.

(2) The minister may authorize any person that the minister considers appropriate to conduct any investigation and inquiry and to exercise any of the minister’s powers pursuant to this Part.

(3) The minister may investigate and inquire into any matter the minister considers necessary respecting the administration of Part III of the Act or these regulations.

(4) For the purposes of an investigation pursuant to this section, the minister, at any reasonable time, may:

- (a) enter on any lands and enter any premises, building or structure used in connection with the operation of any well or any crude oil recovery facility and take from those places any samples or specimens to determine the quantity or quality of any substances produced, received or processed at those places;
- (b) enter any building, structure or office containing any record required to be kept pursuant to Part III of the Act or these regulations and inquire into and examine any of those records; and
- (c) use any machinery, equipment, appliance or thing that the minister considers necessary while at any place mentioned in clause (a) or (b).

22 Nov 2002 cF-22.1 Reg 3 s15.

**Production of records**

16(1) The minister may, at any reasonable time, demand the production of and inspect all or any record of the person with respect to whom the investigation is being made, and any person who has the custody, possession or control of any record shall produce it and permit inspection of it by the minister.

(2) If any person refuses or neglects to permit the minister to examine, inspect or make copies of any record that is required pursuant to this Part, the minister may apply *ex parte* to a judge of the Provincial Court and the judge may order the production and delivery of any record for inspection and copying.

22 Nov 2002 cF-22.1 Reg 3 s16.

**Copies of records**

17(1) When a record has been examined pursuant to section 15, the minister may make copies of that record.

(2) A copy of a record certified by the minister to be a copy made pursuant to this section:

- (a) is admissible in evidence without proof of the office or signature of the person purporting to have signed the certificate; and
- (b) has the same probative force as the original record.

(3) The minister shall ensure that after copies of any records examined pursuant to this Part are made, the originals are promptly returned to:

- (a) the place they were removed from; or
- (b) any other place that may be agreed to by the minister and the person who was in custody, possession or control of the record.

22 Nov 2002 cF-22.1 Reg 3 s17.

**Confidentiality**

18(1) Except as provided in this section, the minister shall not disclose any information that comes to the knowledge of the minister in the exercise of the powers, performance of the duties or carrying out of the functions of the minister pursuant to Part III of the Act or these regulations.

(2) Subsection (1) applies, with any necessary modification, to any employee of the department.

(3) If, in the opinion of the minister, there is evidence of the commission of an offence against an Act, a regulation, an Act of the Parliament of Canada or a regulation made pursuant to an Act of the Parliament of Canada, the minister may disclose to the Attorney General for Saskatchewan or the Attorney General of Canada information that relates to the commission of the offence.

22 Nov 2002 cF-22.1 Reg 3 s18.

**PART IV  
General****Notices of working interests**

19(1) The operator of a crude oil recovery facility shall deliver a notice to the minister, in a form acceptable to the minister, that:

- (a) lists the persons who have a working interest in the facility;
- (b) sets out the working interest held by each person, expressed as a percentage of the aggregate of the working interests in the facility; and
- (c) contains any additional information that the minister considers necessary in the circumstances.

(2) The notice mentioned in subsection (1) must be delivered to the minister at the offices of the department in Regina on or before the last day of the month following the later of:

- (a) the month in which the facility commences operation; and
- (b) the month in which these regulations come into force.

(3) When a change occurs in any of the information mentioned in subsection (1), the operator shall:

- (a) provide the minister with a notice of the change in a form acceptable to the minister; and
- (b) deliver the notice mentioned in clause (a) to the minister:
  - (i) on or before the last day of the month following the month in which the change occurred; and
  - (ii) at the offices of the department in Regina.

22 Nov 2002 cF-22.1 Reg 3 s19.

**Records of account**

**20(1)** Every operator of a crude oil recovery facility shall:

- (a) keep proper records of account with respect to recovered crude oil and the operation of the facility; and
  - (b) make the records mentioned in clause (a) available to the minister on terms and conditions that are satisfactory to the minister.
- (2) Every taxpayer shall:
- (a) keep proper records of account with respect to the taxpayer's working interest in recovered crude oil; and
  - (b) make the records mentioned in clause (a) available to the minister on terms and conditions that are satisfactory to the minister.

22 Nov 2002 cF-22.1 Reg 3 s20.

**Information re tax to be provided to minister**

**21(1)** If the minister believes that a person has knowledge relevant to the imposition, calculation or payment of any taxes payable pursuant to these regulations, the minister may, at any time, require the person to provide any information that the minister considers necessary to enable a full and complete determination of the amount of any of the taxes or of the liability of any person to pay any of the taxes.

(2) When the minister requires a person to provide information pursuant to subsection (1), the person shall submit the information to the minister within 30 days or any longer period specified by the minister.

22 Nov 2002 cF-22.1 Reg 3 s21.

**Forms prescribed**

**21.1(1)** The certificate set out in Form A of the Appendix is prescribed for the purpose of clause 32.5(1)(a) of the Act.

(2) The notice of intention set out in Form B of the Appendix is prescribed for the purpose of subsection 32.51(2) of the Act.

(3) The third-party demand set out in Form C of the Appendix is prescribed for the purpose of subsection 32.51(3) of the Act.

17 Mar 2006 SR 16/2006 s4.

PART V  
Transitional and Coming Into Force

**Transitional**

- 22(1)** This section applies with respect to tax owing by a taxpayer pursuant to clause 32.9(d) of the Act.
- (2) As soon as practicable after these regulations are filed with the Registrar of Regulations, the minister shall:
- (a) assess, in accordance with Part III of the Act and the regulations, the amount of tax owing, and interest, penalties or other amounts, if any, to be paid by a taxpayer; and
  - (b) provide each taxpayer with a copy of the assessment mentioned in clause (a).
- (3) Notwithstanding any other provision of these regulations, no interest is payable on the tax owing by a taxpayer for the period:
- (a) commencing on the date that the taxpayer was required or purportedly required to pay that tax owing; and
  - (b) ending on the date that is 30 days following the date that the assessment mentioned in clause (2)(b) was received by the taxpayer.
- (4) Interest begins to accrue and is payable on tax owing by a taxpayer commencing on the expiration of the 30 day period mentioned in clause (3)(b).

22 Nov 2002 cF-22.1 Reg 3 s22.

**Coming into force**

- 23(1)** Subject to subsection (2), these regulations come into force on the day on which *The Freehold Oil and Gas Production Tax Amendment Act, 2001* comes into force but are retroactive and are deemed to have been in force on and from January 1, 2000.
- (2) If these regulations are filed with the Registrar of Regulations after the coming into force of *The Freehold Oil and Gas Production Tax Amendment Act, 2001*, these regulations come into force on the day on which they are filed with the Registrar of Regulations but are retroactive and are deemed to have been in force on and from January 1, 2000.

22 Nov 2002 cF-22.1 Reg 3 s23.

**Appendix**

FORM A

[Subsection 21.1(1)]

**CERTIFICATE**

Pursuant to clause 32.5(1)(a) of *The Freehold Oil and Gas Production Tax Act*, I hereby certify that

\_\_\_\_\_   
 (name of person liable to pay or remit tax)

owes the sum of \$ \_\_\_\_\_ to the Crown pursuant to Part III of *The Freehold Oil and Gas Production Tax Act*, and that the amount has remained unpaid for at least 30 days since it became owing, and is determined as follows:

[Here specify the amount of tax owing, including any penalty or interest owing with respect to that amount, and the property and period in relation to which the amounts are due.]

DATED at \_\_\_\_\_, Saskatchewan, this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
Minister of Industry and Resources

No. \_\_\_\_\_ filed with the Local Registrar  
at the Judicial Centre of \_\_\_\_\_,  
this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
Local Registrar

FORM B  
[Subsection 21.1(2)]

NOTICE OF INTENTION

TO: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*(name and address of person named in certificate)*

TAKE NOTICE THAT:

1. A certificate pursuant to clause 32.5(1)(a) of *The Freehold Oil and Gas Production Tax Act* has been filed with the Local Registrar in the Court of Queen’s Bench for the Judicial Centre of \_\_\_\_\_, a copy of which is attached to this notice.
2. The certificate mentioned in paragraph 1 has the same force and effect as if it were a judgment obtained in the Court of Queen’s Bench for the recovery of the sum in the amount specified in the certificate, together with any reasonable costs and charges respecting its filing.
3. The minister intends to serve a demand for payment on \_\_\_\_\_  
*(third party)*  
requiring that all or any part of the money payable by the Third Party to you be paid to the minister immediately on it becoming payable.

DATED at \_\_\_\_\_, Saskatchewan, this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_ .

\_\_\_\_\_  
Minister of Industry and Resources

FORM C  
[Subsection 21.1(3)]

**THIRD-PARTY DEMAND**

TO: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

*(name and address of third party)*

RE: \_\_\_\_\_

*(the person liable to pay or remit tax)*

*(name of person named in the certificate)*

**TAKE NOTICE THAT:**

1. Pursuant to clause 32.5(1)(a) of *The Freehold Oil and Gas Production Tax Act*, a certificate has been filed with the Local Registrar of the court of Queen's Bench for the Judicial Centre of \_\_\_\_\_ certifying that the person liable to pay or remit a tax owes the Crown certain amounts as payment of taxes, penalties or interest pursuant to Part III *The Freehold Oil and Gas Production Tax Act* in the amount of \$ \_\_\_\_\_ .

That certificate has the same force and effect as if it were a judgment obtained in the Court of Queen's Bench for the recovery of a sum in the amount specified in the certificate, together with any reasonable costs and charges respecting its filing.

2. It is believed that you are, or are about to become, indebted to or liable to pay money to \_\_\_\_\_, the person liable to pay or remit tax, being the person named in the certificate.
3. Pursuant to section 32.51 of *The Freehold Oil and Gas Production Tax Act*, you are directed to pay to the Minister of Industry and Resources the lesser of:
  - (a) \$ \_\_\_\_\_ ; and
  - (b) all of the moneys owing by you to the person liable to pay or remit tax.

If, at the time of receipt of this third-party demand, you are not indebted to the person liable to pay or remit tax, then as soon as you become indebted to the person liable to pay or remit tax, you must pay to the minister the amount of the indebtedness until the sum specified is fully paid and satisfied.

4. Unless revoked by the minister, this third-party demand remains in force for six months after the day on which it was served.
5. Payment to the minister for money received pursuant to this third-party demand discharges your liability to the person liable to pay or remit tax to the extent of the amount paid.

## RECOVERED CRUDE OIL TAX

## F-22.1 REG 3

6. If, contrary to this direction, you fail to honour this third-party demand or should you discharge your obligation to the person liable to pay or remit tax, you will be held liable to the Crown to the extent of the lesser of:
- (a) the amount of liability discharged to the person liable to pay or remit a royalty; and
  - (b) the amount specified in the third-party demand.

DATED at \_\_\_\_\_, Saskatchewan, this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

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Minister of Industry and Resources

17 Mar 2006 SR 16/2006 s5.

