

The Oil and Gas Revolving Fund Regulations

Repealed
by the *Statutes of Saskatchewan*, 1993, c35
(effective April 1, 1993).

Formerly
Chapter O-2 Reg 4 as amended by
Saskatchewan Regulations 109/92.

NOTE:

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

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CHAPTER O-2 REG 4
The Oil and Gas Conservation Act

PART I
Title and Interpretation and Purpose

Title

1 These regulations may be cited as *The Oil and Gas Revolving Fund Regulations*.

Interpretation

2 In these regulations:

- (a) “**Act**” means *The Oil and Gas Conservation Act*;
- (b) “**fiscal year**” means the period commencing on April 1 in one year and ending on March 31 in the following year;
- (c) “**Table**” means a Table prescribed in the Appendix to these regulations.

13 Sep 91 cO-2 Reg 4 s2.

Purpose

3 The purpose of these regulations is:

- (a) to prescribe the expenses and categories of expenses that:
 - (i) are incurred to exercise the powers, perform the duties or carry out the functions mentioned in section 20.3 of the Act; and
 - (ii) are to be paid out of the revolving fund;
- (b) to establish categories of wells and prescribe the amount of fees payable with respect to categories of wells; and
- (c) to prescribe days for the purposes of subsections 20.5(1) and (2) of the Act.

13 Sep 91 cO-2 Reg 4 s3.

PART II
Expenses

Interpretation of Part

4 In this Part and Table 1:

- (a) “**activity**” means an activity associated with exercising a power, performing a duty or carrying out a function mentioned in section 20.3 of the Act;

(b) “**branch**” means a branch of the department identified in Column 2 of Table 1;

(c) “**branch expense**” means the expenses of a branch related to providing an activity, but does not include expenses that are:

- (i) telephone expenditures;
- (ii) mainframe computer systems expenditures;
- (iii) space rental expenditures; or
- (iv) mail, records, maintenance and photographic expenditures;

(d) “**branch percentage**” means, with respect to an activity, the percentage calculated as follows:

$$\text{branch percentage} = \frac{\text{APY} \times 100}{\text{BPY}}$$

Where:

“**APY**” [Activity Person-Years] means the total person-years in the branch that relate to providing the activity as calculated by the minister for the beginning of the fiscal year;

“**BPY**” [Branch Person-Years] means the total person-years for the branch, as calculated by the minister for the beginning of the fiscal year; and

the percentage may be rounded by the minister;

(e) “**departmental percentage**” means the percentage calculated as follows:

$$\text{departmental percentage} = \frac{\text{APY} \times 100}{\text{DPY}}$$

Where:

“**APY**” [Activity Person-Years] means the total person-years in the department that relate to providing activities, as calculated by the minister for the beginning of the fiscal year;

“**DPY**” [Department Person-Years] means the total person-years for the department, as calculated by the minister for the beginning of the fiscal year; and

the percentage may be rounded by the minister;

(f) “**person-year**” means the equivalent of a full-time, permanent employee;

(g) “**salary expense**” means the salary, travel, training and conference expenses incurred by an employee.

Certain expenses prescribed

5(1) The branch expenses that:

- (a) are provided by a branch identified in Column 2 of Table 1; and
- (b) are related to providing the activities identified in Column 3 of Table 1 for the branch;

are prescribed as expenses to be paid out of the revolving fund.

(2) The percentage of branch expenses identified in Column 4 of Table 1 opposite the activities identified in Column 3 of Table 1 is prescribed as the percentage of expenses to be paid out of the revolving fund.

13 Sep 91 cO-2 Reg 4 s5.

Division expenses

5.1(1) In this section, “**division expenses**” means the salary expenses of the heads of the divisions of the department and the secretaries of those division heads.

(2) Division expenses incurred by each division of the department are prescribed as expenses to be paid out of the revolving fund.

(3) The percentage of division expenses to be paid out of the revolving fund is to be calculated using the following formula:

$$\text{percentage of division expenses} = \frac{\text{RPY}}{\text{TPY}} \times 100 ;$$

where:

RPY [Relevant Person-Years] means the person-years in the division who regulate or provide services to the oil and gas industry as calculated by the minister for the beginning of the fiscal year; and

TPY [Total Person-Years] means the total person-years for that division as calculated by the minister for the beginning of the fiscal year.

23 Oct92 SR 109/92 s3.

Computer expenditures

6(1) In this section:

(a) “**mainframe computer system expenditures**” means with respect to a mainframe computer system:

- (i) operation and maintenance expenditures of the mainframe computer system;
- (ii) expenditures for developing, operating and maintaining the mainframe computer system;

(iii) computer communication line charges associated with the mainframe computer system; and

(iv) equipment purchases necessary to upgrade, maintain or support the mainframe computer system;

(b) “**systems services expenditures**” means expenditures by the department for:

(i) word processing terminals;

(ii) personal computers and screens;

(iii) printers;

(iv) network cabling and equipment to link word processing equipment and personal computers;

(v) software and software licences;

(vi) software equipment maintenance for personal computers;

(vii) training courses and materials for operators of word processors and personal computers;

(viii) paper and other supplies used by operators of word processors and personal computers; and

(ix) other activities associated with the use of word processors and personal computers.

(2) Mainframe computer system expenditures related to regulating or providing services to the oil and gas industry, other than billing and collecting revenue from the oil and gas industry, are prescribed as expenses to be paid out of the revolving fund.

(3) With respect to each mainframe computer system, the percentage of total mainframe computer system expenditures to be paid out of the revolving fund is to be calculated according to the following formula:

$$\text{Percentage of mainframe computer expenditures} = \frac{\text{RE}}{\text{TE}} \times 100$$

Where:

“**RE**” [Relevant Expenditures] means the expenditures to provide the activities mentioned in subsection (2) on the mainframe computer system as calculated by the minister for the beginning of the fiscal year; and

“**TE**” [Total Expenditures] means the total expenditures to provide for all uses and activities on the mainframe computer system as calculated by the minister for the beginning of the fiscal year.

(4) Systems services expenditures incurred by the department are prescribed as expenses to be paid out of the revolving fund.

(5) The percentage of systems services expenditures incurred by the Systems Services Branch that are to be paid out of the revolving fund is the departmental percentage.

13 Sep 91 cO-2 Reg 4 s6.

Telephone expenditures

7(1) In this section, “**telephone expenditures**” includes:

- (a) rental of telephone and telecommunication equipment;
 - (b) maintenance of telephone and telecommunication equipment; and
 - (c) charges for long distance calls and calls directed through telecommunication equipment.
- (2) Telephone expenditures by each division of the department are prescribed as expenses to be paid out of the revolving fund.
- (3) The percentage of telephone expenditures to be paid out of the revolving fund is to be calculated using the following formula:

$$\text{Percentage of telephone expenditures} = \frac{\text{RPY} \times 100}{\text{TPY}}$$

Where:

“**RPY**” [Relevant Person-Years] means the person-years in the division who regulate or provide services to the oil and gas industry as calculated by the minister for the beginning of the fiscal year; and

“**TPY**” [Total Person-Years] means the total person-years for that division as calculated by the minister for the beginning of the fiscal year.

(4) For the purposes of calculating TPY in subsection (3) for the Finance and Administration Division:

- (a) the Executive Administration Branch and the Office of the Minister are deemed to be part of the Division; and
- (b) the Mineral Revenue Branch is deemed not to be part of the Division.

13 Sep 91 cO-2 Reg 4 s7.

Space rental expenditures

8(1) In this section:

- (a) “**field office**” means any office other than an office in a building in which any of the executive offices of the department are located;
- (b) “**space rental expenditures**” means payments made by the department for space rental for:
 - (i) the field offices of the Petroleum and Natural Gas Division;

- (ii) the Petroleum Geology Laboratory; and
 - (iii) a building in which any of the executive offices of the department are located.
- (2) Space rental expenditures are prescribed as expenses to be paid out of the revolving fund.
- (3) The percentage of space rental expenditures to be paid out of the revolving fund is:
- (a) for the field offices of the Petroleum and Natural Gas Division, 100%;
 - (b) the Petroleum Geology Laboratory, 100%; and
 - (c) for the building in which the executive offices of the department are located, to be calculated according to the following formula:

$$\text{Percentage of space rental expenditures} = \frac{\text{RPY} \times 100}{\text{TPY}}$$

Where:

“**RPY**” [Relevant Person-Years] means the number of person-years for branches in the building engaged in regulating or providing services to the oil and gas industry, as calculated by the minister for the beginning of the fiscal year; and

“**TPY**” [Total Person-Years] means the total number of person-years in the building, as calculated by the minister for the beginning of the fiscal year.

13 Sep 91 cO-2 Reg 4 s8.

Mail, etc. expenditures

- 9(1) Mail, records maintenance and photographic services expenditures by the department are prescribed as expenses to be paid out of the revolving fund.
- (2) The percentage of mail, records maintenance and photographic services expenditures to be paid out of the revolving fund is the departmental percentage.

13 Sep 91 cO-2 Reg 4 s9.

PART III
Revenues

Interpretation of Part

10 In this Part and in Table 2:

- (a) “**base year**” means the year preceding the fiscal year with respect to which a fee pursuant to this Part is payable;
- (b) “**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:
 - (A) the gas-producing zone is successfully segregated from oil; and
 - (B) gas is produced separately from 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 classified by the minister pursuant to clause 17(1)(l) of the Act as a gas well;
- (c) “**oil well**” means any well capable of producing oil that is not a gas well;
- (d) “**service well**” means a well that:
 - (i) is licensed pursuant to the Act; and
 - (ii) is not a gas well or an oil well.

13 Sep 91 cO-2 Reg 4 s10.

Prescribed days

11(1) The prescribed day for the purposes of subsection 20.5(1) of the Act is April 1 in each year.

(2) Notwithstanding subsection (1), the prescribed day for the purposes of subsection 20.5(1) of the Act for the 1991-92 fiscal year is August 1, 1991.

(3) The prescribed day for the purposes of subsection 20.5(2) of the Act is June 30 in each year.

(4) Notwithstanding subsection (3), the prescribed day for the purposes of subsection 20.5(2) of the Act for the 1991-92 fiscal year is November 30, 1991.

213 Sep 91 cO-2 Reg 4 s11.

Categories of wells

12 On, or as soon as practicable after, April 1 of each fiscal year, the minister shall place each gas well, oil well and service well with respect to which a fee is payable pursuant to Part III.1 of the Act into one of the categories established in Table 2 using the criteria prescribed in that Table.

13 Sep 91 cO-2 Reg 4 s12.

Fee

13(1) The prescribed fee payable pursuant to Part III.1 of the Act for each gas well, oil well and service well is to be calculated according to the following formula:

Prescribed fee = fee determined pursuant to Table 3 x adjustment factor.

(2) For the purposes of subsection (1), the adjustment factor:

- (a) in the 1991-92 fiscal year is 1.05;

(b) in the 1992-93 fiscal year and in subsequent fiscal years is 1.00.

13 Sep 91 cO-2 Reg 4 s13; 23 Oct92
SR 109/92 s4.

Notice of fee

14(1) In this section, “**unit operator**” means an operator of a unit operation pursuant to Part V of the Act.

(2) As soon as practicable after the minister has placed gas wells, oil wells and service wells into the categories established in Table 2, the department shall provide licence holders and unit operators with a written notice setting out:

- (a) the name of the licence holder or unit operator;
- (b) the licence holder’s or unit operator’s wells that are subject to the fee according to the records of the department;
- (c) the category of each well;
- (d) the fee for each well; and
- (e) the total of all fees payable by the licence holder or unit operator in that fiscal year.

13 Sep 91 cO-2 Reg 4 s14.

Appendix

**TABLE 1
Expenses**

[Section 4]

Column 1	Column 2	Column 3	Column 4
<i>Division</i>	<i>Branch</i>	<i>Activities</i>	<i>Expense and percentage</i>
1. Finance and Administration	(a) Marketing and Publications	all activities, except those related to: - promotional advertising development and placement - promotional printing	departmental percentage for all expenses
	(b) Personnel and Administration	all activities	departmental percentage for all expenses

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Column 1	Column 2	Column 3	Column 4
<i>Division</i>	<i>Branch</i>	<i>Activities</i>	<i>Expense and percentage</i>
	(c) Systems Services	all activities related to regulating or providing services to the oil and gas industry, other than - billing, and - collecting revenue from the oil and gas industry	100% of salary expenses for all person-years identified by the minister as providing the activity mentioned in column 3
2. Geology and Mines	(a) Petroleum Geology	all activities	100% for all expenses
	(b) Sedimentary Geodata	all activities related to: - maintaining and computerizing a central collection of information from wells drilled in accordance with <i>The Oil and Gas Conservation Regulations, 1985</i> - receiving and processing plans, reports and geophysical maps submitted in accordance with <i>The Sedimentary Basin Geophysical Exploration Regulations</i> - providing information from the files maintained by the branch - compiling indexes of geophysical data for quarterly petroleum and natural gas land sales	100% of salary expenses for all person-years identified by the minister as providing the activities mentioned in column 3
	(c) Support Services	all activities	departmental percentage for all expenses

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3. Petroleum and Natural Gas	(a) Economic and Fiscal Analysis	<p>all activities related to:</p> <ul style="list-style-type: none"> - analyzing the impact of factors affecting oil and gas exploration, development and production in Saskatchewan or in other oil and gas producing jurisdictions - conducting economic and reservoir engineering analyses of special oil and gas projects - preparing and distributing information directives and circulars for use by the oil and gas industry - administering oil and gas incentive programs 	<p>100% of salary expenses for all person-years identified by the minister as providing the activities mentioned in column 3;</p> <p>branch percentage for other expenses</p>
	(b) Engineering Services	all activities	100% for all expenses
	(c) Petroleum Development	all activities	100% for all expenses
	(d) Petroleum Statistics	<p>all activities related to</p> <ul style="list-style-type: none"> - collecting, verifying and storing oil and gas production data - retrieving and providing production data in response to requests from the oil and gas industry - preparing annual reports summarizing production information for oil and gas 	<p>100% of salary expenses for all person-years identified by the minister as providing the activities mentioned in column 3;</p> <p>branch percentage for other expenses</p>

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	(e) Geology and Petroleum Lands	<p>all activities related to:</p> <ul style="list-style-type: none"> - registering documents evidencing changes in ownership of Crown dispositions, changes in the names of holders and registering security notices in accordance with "The Petroleum and Natural Gas Regulations, 1969" - providing search reports of information on Crown dispositions 	<p>100% of salary expenses for all person-years identified by the minister as providing the activities mentioned in column 3; branch percentage for other expenses</p>
4. Resource Policy and Economics	Energy	<p>all activities related to evaluating requests for, and issuing, gas removal permits and gas use permits</p>	<p>100% of salary expenses for all person-years identified by the minister as providing the activities mentioned in column 3</p>

13 Sep 91 cO-2 Reg 4; 23 Oct 92 SR 109/92 s5.

TABLE 2
Categories of Wells

[Section 12]

NOTE: Active/Inactive status and production figures for a well are to be established using the base year for the well.

<i>Category</i>	<i>Service Well</i>	<i>Oil Well</i>	<i>Gas Well</i>
1	inactive	inactive	inactive
2	active	-	-
3	-	produced 300 cubic metres of oil or less	produced 400 000 cubic metres of gas or less
4	-	produced more than 300 but not more than 900 cubic metres of oil metres of gas	produced more than 400 000 but not more than 1 200 000 cubic metres of gas
5	-	produced more than 900 but not more than 1 800 cubic metres of oil metres of gas	produced more than 1 200 000 but not more than 2 400 000 cubic metres of gas
6	-	produced more than 1 800 but not more than 3 000 cubic metres of oil metres of gas	produced more than 2 400 000 but not more than 4 000 000 cubic metres of gas
7	-	produced more than 3 000 but not more than 6 000 cubic metres of oil metres of gas	produced more than 4 000 000 but not more than 8 000 000 cubic metres of gas
8	-	produced more than 6 000 cubic metres of oil of gas	produced more than 8 000 000 cubic metres of gas

13 Sep 91 cO-2 Reg 4.

TABLE 3
Fee Payable Per Well

[Section 13]

<i>Category of Well</i>	<i>Fee per well</i>
1	\$ 0
2	50
3	50
4	100
5	200
6	300
7	400
8	500

13 Sep 91 cO-2 Reg 4.

