

The Recovered Crude Oil Tax Regulations, 2012

being

[Chapter F-22.11 Reg 2](#) (effective April 1, 2012) as amended by Saskatchewan Regulations [99/2013](#), [97/2015](#), [86/2019](#) and [26/2020](#).

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

PART I		PART V	
Title, Interpretation and Application		General	
1	Title	14	Notices of active operation
2	Interpretation	15	Working interest information
3	Application of regulations	16	Interest rate
PART II		17	Refunds
Recovered Crude Oil Tax		18	Interest on overpayment
4	Calculation of recovered crude oil tax	19	Forms prescribed
5	Price of recovered crude oil	PART VI	
PART III		Repeal, Transitional and Coming into Force	
Remittance		20	R.R.S. c.F-22.1 Reg 3 repealed
6	Designation of operator	21	Transitional
7	Special operator	22	Coming into force
8	Invoice of taxes	Appendix	
9	Payment of taxes	PART I	
10	Election to apply credits	Tables	
10.1	Deferral of taxes – Waterflood Development Program	Table 1	Repealed
11	Receipt of remittance	PART II	
PART IV		Forms	
Recovery of Tax and Penalties		Form A	Notice of Intention
12	Interim assessment of taxes - failure of system	Form B	Third Party Demand
13	Penalty		

CHAPTER F-22.11 REG 2
The Freehold Oil and Gas Production Tax Act, 2010

PART I
Title, Interpretation and Application

Title

- 1** These regulations may be cited as *The Recovered Crude Oil Tax Regulations, 2012*.

Interpretation

- 2** In these regulations:

- (a) **“Act”** means *The Freehold Oil and Gas Production Tax Act, 2010*;
- (b) **“operator”** means:
 - (i) the person:
 - (A) designated in accordance with subsection 6(1); and
 - (B) listed as the operator of a crude oil recovery facility on the ministry’s records for the purposes of these regulations; or
 - (ii) any person designated by the minister pursuant to subsection 6(2) as the operator of a crude oil recovery facility for the purposes of these regulations;
- (c) **“pre-authorized debit”** means a withdrawal from an operator’s or special operator’s account at a financial institution that is initiated by the minister on the authority of the operator or special operator pursuant to subsection 9(4);
- (d) **“recovered crude oil inventory”** means recovered crude oil:
 - (i) that was received at the crude oil recovery facility before March 1, 2012;
 - (ii) that has not been allocated back to the originating well; and
 - (iii) that was not delivered from the crude oil recovery facility before March 1, 2012;
- (e) **“special operator”** means a taxpayer:
 - (i) who delivers recovered crude oil separately from the operator; and
 - (ii) who has been designated pursuant to subsection 7(1) as a special operator with respect to the recovered crude oil for the purposes of these regulations;
- (f) **“tax”** means the recovered crude oil tax imposed by section 17 of the Act;

- (g) **“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 disposing of that water;
 - (iii) was approved by the minister as a waste facility before March 1, 2012; and
 - (iv) contains recovered crude oil inventory;
- (h) **“waste material”** means physical waste as that term is ordinarily understood in relation to the activities of the oil and gas industry;
- (i) **“working interest”** means an interest in recovered crude oil that:
 - (i) entitles a person to share in the recovered crude oil or 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.

5 Apr 2012 cF-22.11 Reg 2 s2.

Application of regulations

3 These regulations apply to all recovered crude oil that was delivered from a crude oil recovery facility on or after March 1, 2012.

5 Apr 2012 cF-22.11 Reg 2 s3.

PART II Recovered Crude Oil Tax

Calculation of recovered crude oil tax

4(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 by the minister as heavy oil for the purposes of these regulations;
- (b) **“new oil”** means new oil as defined in *The Freehold Oil and Gas Production Tax Regulations, 2012*;
- (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, 2012*.

(2) Subject to subsection (3), the tax rate to be applied to recovered crude oil that is delivered from a crude oil recovery facility in a month 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 6 of *The Freehold Oil and Gas Production Tax Regulations, 2012* for heavy oil that is new oil; and
- (ii) for recovered crude oil that is non-heavy oil, the factor K determined for the month pursuant to section 6 of *The Freehold Oil and Gas Production Tax Regulations, 2012* for non-heavy oil that is not southwest designated oil and that is new oil;

X is:

- (i) for recovered crude oil that is heavy oil, the factor X determined for the month pursuant to section 6 of *The Freehold Oil and Gas Production Tax Regulations, 2012* for heavy oil that is new oil; and
- (ii) for recovered crude oil that is non-heavy oil, the factor X determined for the month pursuant to section 6 of *The Freehold Oil and Gas Production Tax Regulations, 2012* for non-heavy oil that is not southwest designated oil and that is new oil;

RCO is the total amount of recovered crude oil, expressed in cubic metres rounded to the nearest tenth, that is delivered from the crude oil recovery facility in the month; and

PTF is the factor PTF determined for the month pursuant to section 6 of *The Freehold Oil and Gas Production Tax Regulations, 2012* that is applicable to new oil.

(3) The tax rate to be applied to recovered crude oil inventory that is delivered from a waste facility in a month is the lesser of:

- (a) the amount determined pursuant to subsection (2); and
- (b) 10%.

(4) The tax payment for each taxpayer for recovered crude oil that is delivered from a crude oil recovery facility 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 5 for recovered crude oil that is delivered from the crude oil recovery facility in the month;

PS is the taxpayer's proportionate share of the recovered crude oil that is delivered from the crude oil recovery facility in the month;

TR is the tax rate applicable to the recovered crude oil determined in accordance with subsections (2) and (3); and

RCO is the total amount of recovered crude oil, expressed in cubic metres rounded to the nearest tenth, that is delivered from the crude oil recovery facility in the month.

5 Apr 2012 cF-22.11 Reg 2 s4.

Price of recovered crude oil

5(1) In this section:

(a) **“allowable transportation expenses”** means:

- (i) trucking expenses actually 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
- (ii) any other reasonable transportation expenses that are approved by the minister as allowable transportation expenses;

(b) **“first subsequent month”** means, with respect to recovered crude oil that was delivered from a crude oil recovery facility in a month, the first subsequent month in which recovered crude oil that is delivered from that crude oil recovery facility is sold pursuant to an arm's-length agreement.

(2) Subject to subsections (3) to (6), the price of recovered crude oil that is delivered from a crude oil recovery facility in a month is determined as follows:

(a) if any recovered crude oil that was delivered from a crude oil recovery facility, regardless of when that recovered crude oil was delivered, was sold pursuant to one or more arm's-length agreements in the month, the price of the recovered crude oil delivered from the crude oil recovery facility in the month is the positive difference between:

- (i) the average price, expressed in dollars per cubic metre, received pursuant to the arm's-length agreements for the sale of all recovered crude oil sold in the month with respect to that crude oil recovery facility; and
- (ii) allowable transportation expenses, expressed in dollars per cubic metre, respecting all recovered crude oil sold in the month with respect to that crude oil recovery facility; or

- (b) if no recovered crude oil that was delivered from the crude oil recovery facility was sold in the month, the price of the recovered crude oil delivered from the crude oil recovery facility in the month is the positive difference between:
 - (i) the average price, expressed in dollars per cubic metre, received in the first subsequent month pursuant to arm's-length agreements for the sale of all recovered crude oil sold in the subsequent month with respect to that crude oil recovery facility; and
 - (ii) allowable transportation expenses, expressed in dollars per cubic metre, respecting all recovered crude oil sold in the subsequent month with respect to that crude oil recovery facility.
- (3) If no recovered crude oil pricing information is submitted to the registry for a month with respect to recovered crude oil delivered from the crude oil recovery facility in the month:
 - (a) the minister shall assign a price for the recovered crude oil delivered from the crude oil recovery facility for the month in which the recovered crude oil was delivered equal to the average price of oil of a similar quality for the month;
 - (b) the taxpayer shall pay tax for the month on the basis of the price assigned pursuant to clause (a); and
 - (c) subject to subsections (4) and (5), if recovered crude oil pricing information is subsequently submitted to the registry with respect to recovered crude oil delivered from the crude oil recovery facility in the month:
 - (i) the tax to be paid for the month is to be adjusted based on the recovered crude oil pricing information submitted to the registry; and
 - (ii) the minister shall deal with any adjustment pursuant to subclause (i) in a manner that complies with these regulations and reflects the change in price.
- (4) If, in the opinion of the minister, an arm's-length agreement mentioned in subsection (2) 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, shall be used to determine the average price of the recovered crude oil pursuant to subsection (2).
- (5) The price of recovered crude oil delivered from a crude oil recovery facility in a month is the fair price determined by the minister if:
 - (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) the minister is satisfied that there was an agreement for the sale of the recovered crude oil but that the taxpayer did not receive the price set out in the agreement;
 - (c) 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;

- (d) 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
 - (e) 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.
- (6) Before determining a fair price pursuant to subsection (5), 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.
- (7) If the minister determines a fair price pursuant to subsection (5), the minister shall provide notice of the price to the operator or special operator, as the case may be.

5 Apr 2012 cF-22.11 Reg 2 s5.

PART III Remittance

Designation of operator

- 6(1) Subject to subsection (2), the holders of working interests in a crude oil recovery facility who are liable to pay taxes pursuant to section 20 of the Act shall:
- (a) designate an operator of the crude oil recovery facility for the purposes of collecting and remitting taxes; and
 - (b) advise the minister in a manner acceptable to the minister of the designation made pursuant to clause (a).
- (2) The minister may designate any person that the minister considers appropriate as an operator for the purposes of collecting and remitting taxes.

5 Apr 2012 cF-22.11 Reg 2 s6.

Special operator

- 7(1) If a taxpayer delivers recovered crude oil separately from the operator, the operator shall:
- (a) designate the taxpayer as a special operator; and
 - (b) advise the minister in a manner acceptable to the minister of the designation made pursuant to clause (a).

(2) A taxpayer who has been designated pursuant to subsection (1) as a special operator shall remit taxes to the minister in accordance with sections 8 to 11 instead of remitting an amount equal to those taxes to the operator as required by subsection 20(2) of the Act.

(3) If a taxpayer is designated as a special operator with respect to the recovered crude oil pursuant to subsection (1), the operator shall provide the special operator with all of the necessary information in sufficient time to enable the special operator to remit the taxes pursuant to subsection (2).

(4) Notwithstanding section 20 of the Act, if a taxpayer is designated as a special operator with respect to the recovered crude oil pursuant to subsection (1), the operator is relieved from any obligation to remit to the minister all amounts that the taxpayer is liable to pay the Crown with respect to that recovered crude oil on account of a tax calculated pursuant to these regulations.

5 Apr 2012 cF-22.11 Reg 2 s7.

Invoice of taxes

8 The minister shall, on a monthly basis:

- (a) determine the taxes imposed pursuant to Part III of the Act on any recovered crude oil in accordance with Part II of these regulations; and
- (b) provide to every operator and special operator an invoice that sets out the taxes mentioned in clause (a) applicable to that operator or special operator.

5 Apr 2012 cF-22.11 Reg 2 s8.

Payment of taxes

9(1) In this section, “**month of delivery**” means the month in which recovered crude oil is delivered from a recovered crude oil facility.

(2) Any payment required to be paid pursuant to these regulations must be paid:

- (a) subject to clause (b), by one of the following methods that is chosen by the minister:
 - (i) pre-authorized debit;
 - (ii) electronic transfer of funds;
 - (iii) cash or cash equivalent; or
- (b) in the case of exceptional circumstances that, in the opinion of the minister, prevent payment by the method chosen by the minister pursuant to clause (a), by any other method acceptable to the minister and the Minister of Finance.

(3) For the purposes of section 19 of the Act, the taxes imposed by Part III of the Act shall be paid:

- (a) on or before the 15th day of the second month following the month of delivery; or
- (b) if the day mentioned in clause (a) is not a business day, on or before the last business day before the 15th day of the second month following the month of delivery.

(4) Every operator and special operator who pays by pre-authorized debit pursuant to subclause (2)(a)(i) or by electronic transfer of funds pursuant to subclause (2)(a)(ii) shall provide the minister with the information required to enable payment by the applicable method.

5 Apr 2012 cF-22.11 Reg 2 s9; 6 Dec 2013 SR 99/2013 s3; 29 Nov 2019 SR 86/2019 s3.

Election to apply credits

10(1) In this section, “**credits**” means credits earned by or transferred to an operator or special operator pursuant to any of the following:

- (a) *The Petroleum Research Incentive Regulations*;
- (b) *The Petroleum Innovation Incentive Regulations*;
- (c) *The Oil and Gas Processing Investment Incentive Regulations*;
- (d) *The Oil Infrastructure Investment Program Regulations*.

(2) Subject to subsection (4), an operator or special operator who holds credits that have been earned or transferred pursuant to *The Petroleum Research Incentive Regulations*, *The Petroleum Innovation Incentive Regulations*, *The Oil and Gas Processing Investment Incentive Regulations* or *The Oil Infrastructure Investment Program Regulations* may elect to apply credits to taxes that have been paid pursuant to these regulations by applying to the minister in an approved form and manner.

(3) Subject to subsections (5) and (6), the minister shall refund all or any part of the taxes paid by an operator or special operator if the minister is satisfied that:

- (a) the operator or special operator paid the taxes; and
- (b) the operator or special operator holds credits equal to the amount to be refunded.

(4) This section applies only to taxes with respect to recovered crude oil delivered between:

- (a) in the case of *The Petroleum Research Incentive Regulations*, March 1, 2012 and March 31, 2022;
- (b) in the case of *The Petroleum Innovation Incentive Regulations*, April 1, 2019 and March 31, 2035;
- (c) in the case of *The Oil and Gas Processing Investment Incentive Regulations*, April 1, 2019 and March 31, 2035; and
- (d) in the case of *The Oil Infrastructure Investment Program Regulations*, April 1, 2020 and March 31, 2035.

(5) Sections 17 and 18 do not apply to a refund of taxes made in accordance with this section.

(6) Subsection (3) only applies with respect to the taxes paid:

- (a) during the month in which the operator or special operator earns or receives transfer of the credits; and
- (b) during any subsequent month.

27 Mar 2020 SR 26/2020 s2.

Deferral of taxes – Waterflood Development Program

10.1 Notwithstanding any other provision of these regulations, payment of taxes may be deferred in accordance with *The Waterflood Development Program Regulations*.

29 Nov 2019 SR 86/2019 s4.

Receipt of remittance

11 For the purposes of Part III of the Act and these regulations, a remittance of tax is deemed to have been received by the minister on the date shown in the ministry's records.

5 Apr 2012 cF-22.11 Reg 2 s11.

PART IV

Recovery of Tax and Penalties

Interim assessment of taxes - failure of system

12(1) If the minister provides notice pursuant to subsection 34(2) of the Act, the amount of taxes owing for the purposes of subsection 34(1) of the Act is equal to the amount of taxes with respect to recovered crude oil that were payable by the operator, special operator or taxpayer for the previous month.

(2) The tax owing pursuant to subsection (1) shall be paid in accordance with section 9.

5 Apr 2012 cF-22.11 Reg 2 s12.

Penalty

13(1) For the purposes of clauses 51(1)(a) and (b) of the Act, the prescribed penalty is \$1,000.

(2) For the purposes of clause 51(1)(c) of the Act, the prescribed penalty is the greater of:

- (a) \$1,000; and
- (b) 10% of the amount of tax that was not forwarded or paid due to the failure to provide the information required to enable the minister to assess or reassess the tax.

5 Apr 2012 cF-22.11 Reg 2 s13.

PART V

General

Notices of active operation

14(1) For the purposes of subsection 24(2) of the Act, on the commencement of recovery of oil from a crude oil recovery facility, the operator shall submit the notice of active operation within the period set out in subsection 105(11) of *The Oil and Gas Conservation Regulations, 2012*.

(2) For the purposes of subsection 24(4) of the Act, the operator shall submit a notice of change of information required pursuant to subsection 24(3) of the Act within the period set out in subsection 105(12) of *The Oil and Gas Conservation Regulations, 2012*.

(3) For the purposes of subsection 24(5) of the Act, the operator shall submit the notice of active operation within the period set out in subsection 105(11) of *The Oil and Gas Conservation Regulations, 2012*.

(4) For the purposes of clause 24(6)(b) of the Act, every operator shall provide the minister with an email address.

5 Apr 2012 cF-22.11 Reg 2 s14.

Working interest information

15(1) In this section:

(a) **“business associate”** means a person who has registered to use the registry;

(b) **“business associate number”** means the numeric code assigned by the minister to identify a business associate.

(2) For the purposes of subsection 25(1) of the Act, an operator shall submit, with respect to each holder of a working interest in the recovered crude oil facility:

(a) the interest, expressed as a percentage, held in the recovered crude oil facility by the holder; and

(b) either:

(i) in the case of a holder that has a business associate number, the business associate number of the holder; or

(ii) in the case of a holder that does not have a business associate number, the name, mailing address, telephone number and email address of the holder.

(3) For the purposes of subsection 25(2) of the Act, the operator must submit the information required pursuant to subsection 25(1) of the Act on or before the last business day of the month following the month with respect to which the information is being submitted.

(4) For the purposes of subsection 25(4) of the Act, the notice of change of information required pursuant to subsection 25(3) of the Act must be submitted on or before the last business day of the month following the month with respect to which the information is being submitted.

(5) For the purposes of clause 25(5)(b) of the Act, every holder of a working interest shall provide the minister with an email address.

5 Apr 2012 cF-22.11 Reg 2 s15.

Interest rate

16(1) For the purposes of subsections 23(1) and (2) of the Act, the prescribed rate of interest per annum with respect to unpaid tax is the rate equal to the sum of:

- (a) the prime lending rate of the bank holding the general revenue fund as determined and adjusted in accordance with this section; and
- (b) 3%.

(2) The interest rate prescribed by this section shall be determined on June 15 and December 15 in each year, and:

- (a) the interest rate as determined on June 15 applies to unpaid tax that is owing on or after July 1; and
- (b) the interest rate as determined on December 15 applies to unpaid tax that is owing on or after January 1 of the following year.

5 Apr 2012 cF-22.11 Reg 2 s16.

Refunds

17(1) Subject to subsections (2) and (3), if an operator or special operator has made an overpayment of tax, the minister:

- (a) shall refund the amount of the overpayment to the operator or special operator, as the case may be; and
- (b) may pay interest at the rate and in the manner set out in subsection 18(1).

(2) If an operator or special operator owes any tax to the Crown and has subsequently made an overpayment to the minister:

- (a) the minister shall retain the amount of the overpayment, or as much of the overpayment as is required, and apply it to the tax owing; and
- (b) the minister shall notify the operator or special operator of the set-off.

(3) No refund is payable if the fact of the overpayment did not come to the knowledge of the minister within four years from the date on which the overpayment occurred.

(4) Notwithstanding *The Limitations Act*, no action may be brought to recover an overpayment after the expiration of four years from the date on which the overpayment occurred.

(5) The refund for an overpayment of taxes is to be made in a manner approved by the minister.

5 Apr 2012 cF-22.11 Reg 2 s17.

Interest on overpayment

18(1) For the purposes of clause 17(1)(b), the rate of interest per annum with respect to an overpayment of tax is the prime lending rate of the bank holding the general revenue fund as determined and adjusted in accordance with this section.

(2) The interest rate prescribed by this section shall be determined on June 15 and December 15 in each year, and:

(a) the interest rate as determined on June 15 applies to tax that is overpaid on or after July 1; and

(b) the interest rate as determined on December 15 applies to tax that is overpaid on or after January 1 of the following year.

5 Apr 2012 cF-22.11 Reg 2 s18.

Forms prescribed

19(1) The notice of intention set out in Form A of the Appendix is prescribed for the purposes of subsection 36(2) of the Act.

(2) The third party demand set out in Form B of the Appendix is prescribed for the purposes of subsection 36(3) of the Act.

5 Apr 2012 cF-22.11 Reg 2 s19.

PART VI**Repeal, Transitional and Coming into Force****R.R.S. c.F-22.1 Reg 3 repealed**

20 *The Recovered Crude Oil Tax Regulations* are repealed.

5 Apr 2012 cF-22.11 Reg 2 s20.

Transitional

21(1) In this section, “**former regulations**” means *The Recovered Crude Oil Tax Regulations* as those regulations existed before the coming into force of these regulations.

(2) Notwithstanding the repeal of the former regulations, the former regulations remain in force and apply with respect to all recovered crude oil that was delivered from a crude oil recovery facility before March 1, 2012.

5 Apr 2012 cF-22.11 Reg 2 s21.

Coming into force

22(1) Subject to subsection (2), these regulations come into force on the day on which section 1 of *The Freehold Oil and Gas Production Tax Act, 2010* comes into force but are retroactive and are deemed to have been in force on and from March 1, 2012.

(2) If these regulations are filed with the Registrar of Regulations after the day on which section 1 of *The Freehold Oil and Gas Production Tax Act, 2010* comes into force, 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 March 1, 2012.

5 Apr 2012 cF-22.11 Reg 2 s22.

Appendix**PART I
Tables****TABLE 1****Due Date for Payment of Taxes**

Repealed. 6 Dec 2013 SR 99/2013 s4.

PART II

Forms

FORM A

[Subsection 19(1)]

NOTICE OF INTENTION

TO: _____

(name and address of person named in certificate)

TAKE NOTICE THAT:

1. A certificate pursuant to subsection 35(1) of *The Freehold Oil and Gas Production Tax Act, 2010* 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 with respect to 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 when it becomes payable.

DATED at _____, Saskatchewan, this _____ day of _____, 20__.

Minister of Energy and Resources

FORM B
[Subsection 19(2)]

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 subsection 35(1) of *The Freehold Oil and Gas Production Tax Act, 2010*, 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, 2010* 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 36 of *The Freehold Oil and Gas Production Tax Act, 2010*, you are directed to pay to the Minister of Energy 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.
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 tax; and
 - (b) the amount specified in the third party demand.

DATED at _____, Saskatchewan, this _____ day of _____, 20 ____.

Minister of Energy and Resources

