

Notice of Proposed Directive Amendments

Directive PNG016:

Acknowledgement of Reclamation (AOR) Requirements

Background

The Ministry of Energy and Resources (ER) is consulting with the oil and gas industry on an amended version of *Directive PNG016: Acknowledgement of Reclamation Requirements* (the amended Directive). The amended Directive aims to streamline ER's processes for reviewing and approving applications for an Acknowledgement of Reclamation (AOR) pursuant to *The Oil and Gas Conservation Regulations, 2012*.

The Process

ER is launching industry consultations on the amended Directive from **June 24, 2019** to **August 23, 2019**. Once this consultation period has concluded, ER will review feedback received in the preparation of a final draft of the amended Directive to be brought forward for approval. The amended Directive is expected to come into effect in the summer of 2019.

Summary of Proposed Changes

The amended Directive will improve ER's existing process for handling and approving AOR applications for oil and gas sites by establishing two main types of AOR applications based on the overall risk level of the activity:

- **Routine:** involves sites with a low risk of contamination and/or site-reclamation issues and are subject to a basic administrative review by ER for approval. Select applications will be audited with a full technical review;
- **Non-Routine:** involves sites with a relatively high risk of contamination, site reclamation issues, and/or the landowner has not provided confirmation that they are willing to release the site and are subject to full technical review by ER prior to approval;

The amended Directive features the following sub-types of non-routine applications:

- **Risk-Based Site Closures:** involves sites that have a high level of sodium chloride impacts that are exceeding regulatory limits but are within site-specific guidelines. An application requires pre-approval by ER and involves a thorough technical review. Select applications will be audited through a third-party full technical review.
- **Administrative Controls:** involves sites that have sodium chloride impacts exceeding regulatory limits and site-specific guidelines where additional remediation is shown to be unwarranted. In

such situations, “administrative controls” may be put in place to manage the site on an ongoing basis. Throughout the administrative controls process, ER will oversee all stakeholder communications. An application requires pre-approval by ER and involves a thorough technical review. Select applications will be audited through a third-party full technical review.

Routine and non-routine applications are to be made through ER’s Integrated Resource Information System (IRIS). Non-routine applications involving Risk Based Site Closures and Administrative controls will be sent directly to ER’s Liability Management Branch for prior authorization before being submitted through IRIS.

Miscellaneous Items of Note

- Addition of an AOR Application Checklist requirement to confirm type of AOR application; and
- Numerous changes throughout to clarify wording and to promote alignment with other ER regulations/directives;

Review of Amended Directive

ER is seeking written comments on the amended Directive. Key amendments are outlined in a side-by-side, which is attached to this notice as Appendix A. A draft of the amended Directive is also attached as Appendix B. Please direct any comments or questions about the proposed amendments to:

ER.servicedesk@gov.sk.ca

Attn: Shaun Zunti, Liability Management
Energy Regulation Division

The deadline for submitting written comments is August 23, 2019.

APPENDIX A: Changes to Directive PNG016: Acknowledgement of Reclamation Requirements (Directive PNG016)

Existing Section/Wording	New Section and Wording	Explanation of Proposed Changes
<p>1. Introduction</p> <p>This document is intended to provide clarification of the existing regulations and reclamation submission requirements overseen by the Ministry of Energy and Resources (ER).</p> <p>Effective June 19, 2007, <i>The Oil and Gas Conservation Regulations, 1985</i> were amended to require that upon abandonment of a well or decommissioning of a facility, the respective site is to be assessed, decommissioned and reclaimed and the licensee is to submit a report which substantiates the satisfactory reclamation of the site. The application for Acknowledgement of Reclamation (AOR) serves as the report.</p> <p>Under the AOR Program, there are four types of application submissions options available to licensees seeking to satisfy their reclamation obligations for their well and facility sites:</p> <ul style="list-style-type: none"> • Acknowledgement of Reclamation - For sites reclaimed in accordance with <i>The Oil and Gas Conservation Regulations, 2012</i> (OGCR). • Grandfathered Reclamation Release - For sites that were reclaimed before the implementation of the AOR Program on June 19, 2007 • Exemption from Reclamation (no surface disturbance) - For cancelled sites where no surface disturbance, other than a survey, has occurred. • Exemption from Reclamation (overlap activity) - For sites where reclamation is 	<p>1. Overview</p> <p>This document is intended to provide clarification of the existing regulations and reclamation submission requirements overseen by the Ministry of Energy and Resources (ER).</p> <p>Effective June 19, 2007, <i>The Oil and Gas Conservation Regulations, 1985</i>, were amended to require that upon abandonment of a well or decommissioning of a facility, the respective site is to be assessed, decommissioned and reclaimed and the licensee is to submit a report which substantiates the satisfactory reclamation of the site. The application for Acknowledgement of Reclamation (AOR) serves as the report.</p> <p>Under the AOR Program, there are four types of applications available to licensees seeking to satisfy their reclamation obligations for their well and facility sites:</p> <ul style="list-style-type: none"> • Acknowledgement of Reclamation - For sites reclaimed in accordance with <i>The Oil and Gas Conservation Regulations, 2012</i> (OGCR); • Grandfathered Reclamation Release - For sites that were reclaimed before the implementation of the AOR Program on June 19, 2007. • Full Exemption from Reclamation (fully overlapping activity) – For sites where reclamation is prevented due to full overlapping well or facility activities on the land area; • Partial Exemption from Reclamation (partially overlapping activity) – For sites 	<p>Section 1 has been amended to remove “Exemption from Reclamation (no surface disturbance)” as an application submission type as ER no longer conducts these. “Full Exemption from Reclamation” and “Partial Exemption from Reclamation” are proposed as distinct application submission types to distinguish between degrees of overlap.</p>

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<p>prevented due to overlapping well or facility activities on the land area.</p> <p>Licenses can obtain a list of wells and facilities that are subject to the AOR Program by viewing the <i>LLR Well List</i> or <i>LLR Facility List</i> provided on Saskatchewan.ca. By applying the following selection criteria to the <i>Lists</i> a licensee can determine their wells or facilities with outstanding reclamation obligations:</p> <ul style="list-style-type: none"> • Select the licensee's name from the Operator Name column; • Set the Well Status column to 'cancelled' or 'abandoned' (i.e. cut and capped for a well); AND • Set the Grandfathered Reclamation Release column to blank AND • Set the Acknowledgment of Reclamation column to blank AND • Set the Exemption from Reclamation column to blank or contains a "P". 	<p>where reclamation is prevented due to partial overlapping well or facility activities on the land area.</p> <p>Licenses can obtain a list of wells and facilities that are subject to the AOR Program by viewing the <i>LLR Well List</i> or <i>LLR Facility List</i> provided on www.saskatchewan.ca. By applying the following selection criteria to the <i>Lists</i> a licensee can determine their wells or facilities with outstanding reclamation obligations</p> <ul style="list-style-type: none"> • Select the licensee's name from the Operator Name column • Set the Well Status column to 'cancelled' or 'abandoned' (i.e. cut and capped for a well) AND • Set the Grandfathered Reclamation Release column to blank AND • Set the Acknowledgment of Reclamation (AOR) column to blank AND • Set the Exemption from Reclamation column to blank or contains a "P". 	
<p>3.2 Exemption from Reclamation Application Requirements for Sites without Surface Disturbance</p> <p>Licenses of licenced cancelled well and facility sites may qualify to be exempted from AOR application submission required under the Regulations; provided no surface disturbance exists at the site.</p> <p>Please be advised that ER considers surface disturbance to be any physical disturbance at a site by the licensee beyond the survey. This includes stripping soil or preparing the site,</p>	<p>3.2 Exemption from Reclamation Application Requirements for Cancelled Well Licences Sites without Surface Disturbance</p> <p>Licenses of licenced cancelled well and facility sites qualify to be exempted from an AOR application required under the <i>Regulations</i> provided no surface disturbance exists at the site.</p> <p>ER considers surface disturbance to be any physical disturbance at a site by the licensee beyond the survey. This includes stripping soil or preparing the site, installing a fence, etc.).</p>	<p>Updated wording for clarity and simplification. Also, mention of the submission of "No Surface Disturbance" Forms for cancelled wells has been removed from the amended Directive as this is no longer a requirement.</p>

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<p>installing a fence or the presence of pre-existing well or facility activity on the site).</p> <p>Licensees of a licenced well or facility site, in which the planned development was subsequently cancelled where no surface disturbance exists at the site may submit the completed <i>Exemption from Reclamation (No Surface Disturbance) Form</i> available on Saskatchewan.ca for consideration. Please be advised ER does not require a submission for <u>unlicenced</u> cancelled well or facility sites where no surface disturbance occurred, other than a survey.</p> <p>Please be advised that if surface disturbance exists at a cancelled site, ER would not accept the Exemption from Reclamation (No Surface Disturbance) application, but instead require a submission in accordance with either of the following situations:</p> <ul style="list-style-type: none"> • where surface disturbance already exists at the proposed cancelled site in relation to a pre-existing well or facility refer to the Exemption from Reclamation requirements due to overlap activity in section 3.3. • where surface disturbance has occurred due to the preparation of the development program for the cancelled licence refer to the Acknowledgement of Reclamation requirements in section 5.2 (licenced sites) or section 5.3 (unlicenced sites). 	<p>If surface disturbance exists (solely due to the cancelled licence) at a cancelled site ER will require an application in accordance with the Acknowledgement of Reclamation requirements in Section 5.2 (licenced sites) or Section 5.3 (unlicenced sites).</p> <p>Licensees of licenced cancelled well and facility sites without surface disturbance are exempt from an AOR application and are not required to submit any form of application to zero the liability of the licence.</p> <p>ER does not require an application for <u>unlicenced</u> cancelled well or facility sites where no surface disturbance occurred, other than a survey.</p>	

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<p>4. AOR Application Components</p> <p>Pursuant to section 56(1) of the OGCR, upon abandonment of a well or decommissioning of a facility, the respective site is required to be assessed, decommissioned and reclaimed and the licensee is required to submit a report (AOR application) which substantiates the satisfactory reclamation of the site.</p> <p>Furthermore, the AOR application is to be submitted within six months after the site has been assessed and reclamation has been completed as per section 56(3) of the OGCR. For clarity this should be understood as meaning the application is due within 6 months of the completion of a passing detailed site assessment as the definition of reclamation includes site restoration and re-vegetation.</p> <p>The AOR application is required for all well and facility sites, including: dry and abandoned wells, stratigraphic test wells, built not drilled well sites, and licenced wells associated with potash and coal exploration.</p> <p>The AOR application must be prepared, with the exception of the cover letter and landowner acknowledgement sections, and submitted by a qualified third party consultant (as defined in section 4.7) and include the following components:</p> <ul style="list-style-type: none"> • Cover Letter – intent of application, licensee contact information and signed declaration. <ul style="list-style-type: none"> • Summary Statement of Conclusions and Recommendations– consultants 	<p>4. Acknowledgement of Reclamation Application Components</p> <p>Pursuant to Section 56(1) and 56(2) of the OGCR, upon abandonment of a well or decommissioning of a facility, the respective site is required to be assessed, decommissioned and reclaimed and the licensee is required to submit a report (AOR application) which substantiates the satisfactory reclamation of the site.</p> <p>Furthermore, the AOR application is to be submitted within six months after the site has been assessed and reclamation has been completed as per Section 56(5) of the OGCR. For clarity this should be understood as meaning the application is due within 6 months of the completion of a passing detailed site assessment as the definition of reclamation includes site restoration and re-vegetation.</p> <p>The AOR application is required for all well and facility sites, including: dry and abandoned wells, stratigraphic test wells, built not drilled well sites, and licenced wells associated with potash and coal exploration.</p> <p>The AOR application must be prepared, with the exception of the cover letter and Landowner Acknowledgement sections, and submitted by a qualified third party consultant (as defined in Section 4.8) and include the following components:</p> <ul style="list-style-type: none"> • Cover Letter – intent of application, licensee contact information and signed declaration; • AOR Application Checklist – checklist to confirm type of application; 	<p>Added AOR application checklist as a required component of an AOR application.</p>

Existing Section/Wording	New Section and Wording	Explanation of Proposed Changes
<p>summary of the site, contact information and signed declaration.</p> <ul style="list-style-type: none"> • Landowner(s) Acknowledgement – acknowledgment signed by the registered surface owner(s) or authorized designate, along with corresponding details relating to the given site/access (i.e. current ISC surface titles, survey and disclosure of any pipelines and/or flowlines left onsite). • Environmental Site Assessment (ESA) – Phase I ESA is mandatory; along with subsequent Phase II ESA, where applicable. • Remediation Report – where applicable, summarizing the work conducted to address any issues identified at the site. • Detailed Site Assessment (DSA) – a soil, vegetation and landscape assessment of the re-contoured and re-vegetated site. <p>The minimum requirements for each component of the AOR application are explained in detail in the following sections.</p>	<ul style="list-style-type: none"> • Summary Statement of Conclusions and Recommendations– consultant’s summary of the site, contact information and signed declaration; • Landowner(s) Acknowledgement – acknowledgment signed by the registered surface owner(s) or authorized designate, along with corresponding details relating to the given site/access (i.e. current ISC surface titles, survey and disclosure of any pipelines and/or flowlines left onsite); • Environmental Site Assessment (ESA) – Phase I ESA is mandatory; along with subsequent Phase II ESA, where required; • Remediation Report – where applicable, summarizing the work conducted to address any issues identified at the site; and • Detailed Site Assessment (DSA) – a soil, vegetation and landscape assessment of the re-contoured and re-vegetated site. <p>The minimum requirements for each component of the AOR application are explained in detail in the following sections.</p>	
<p>NEW</p>	<p>4.2 AOR Application Checklist</p> <p>Following the cover letter, the third party consultant must provide a completed AOR Application Checklist showing if the application being submitted is Routine or Non-Routine. The checklist can be found in the Acknowledgement of Reclamation Application section of Saskatchewan.ca.</p>	<p>New section added to address new AOR application checklist as a required component of an AOR application.</p>
<p>4.3.1 Non-Routine Landowner Acknowledgement</p> <p>ER realizes that situations may arise where a signed Landowner Acknowledgement Form could</p>	<p>Deleted.</p>	<p>This section has been deleted. In the amended Directive, all discussion and detail relating to AOR application types has been moved to subsection 4.9.</p>

Existing Section/Wording	New Section and Wording	Explanation of Proposed Changes
<p>not be obtained. In these instances, ER will consider a non-routine landowner acknowledgement submission, within the AOR application, consisting of the following information:</p> <ul style="list-style-type: none"> • The unsigned <i>Landowner Acknowledgement Form</i> (with the general information portion completed) and attachments meeting the requirements as outlined in section 4.3; and • Written explanation, in place of the landowner feedback, which provides: <ul style="list-style-type: none"> • All of the applicable surface owner(s) contact information (name and phone number); • Documentation of the attempts of correspondence with the landowner(s) to obtain the signed Landowner Acknowledgement Form, including: <ul style="list-style-type: none"> • The date the surface owner(s) were provided the Landowner Acknowledgement Form; • The contact name, and the company they work for, that was trying to contact the surface owner(s); • The contact method used, • Date/time of contact attempts, and • The results of each attempt; • Specific reasons why the landowner was unwilling to complete/sign the form; and • Documentation of any work that was carried out to satisfy the landowner to reach an agreement, where applicable. <p>Please be advised that for non-routine landowner acknowledgements the landowner(s) will be contacted by ER as part of the review process and</p>		

Existing Section/Wording	New Section and Wording	Explanation of Proposed Changes
<p>the site will be visited by ER if deemed necessary to determine if there are any issues and how they can be dealt with. Therefore, the turn-around time for reviewing these non-routine applications will be longer than a standard application. In addition should ER determine that the written explanation is not acceptable, the licensee will be notified that the AOR application is rejected and the applicant will be required to revisit the site and conduct additional work (at their own expense), before an AOR application will be considered.</p>		
<p>NEW</p>	<p>4.9 Acknowledgement of Reclamation Application Types</p> <p>AOR applications will be screened and classified according to their type. The two main AOR application types are Routine and Non-Routine. Risk-Based Site Closure and Administrative Controls are subtypes of non-routine applications. The AOR Application Checklist must accompany each AOR application and will identify the AOR type.</p>	<p>Subsection introducing routine and non-routine AOR application types to streamline the AOR application process.</p>
<p>NEW</p>	<p>4.9.1 Routine Acknowledgement of Reclamation Application</p> <p>Routine AOR applications are for sites that have a low probability of contamination or site reclamation issues. As a result, Routine AOR applications require less scrutiny than Non-Routine. Routine AOR applications will be reviewed for completeness, including: formatting; page orientation; order; declaration signatures and a signed Landowner Acknowledgement Form. Select applications will be audited with a full technical review including follow up with the landowner(s).</p> <p>An AOR application will be considered Routine if:</p>	<p>Explanation of Routine AOR application type.</p>

Existing Section/Wording	New Section and Wording	Explanation of Proposed Changes
	<ul style="list-style-type: none"> • There are no known spills; • A Phase II ESA is not required; • No vegetation, landscape or weed concerns are identified during the DSA; • No surface improvement existing on site; and • The Landowner Acknowledgement Form is signed, completed and no concerns were declared. 	
<p>NEW</p>	<p>4.9.2 Non-Routine Acknowledgement of Reclamation Application</p> <p>Non-Routine AOR applications are designated for sites that have a higher probability of contamination and/or site reclamation issues than Routine sites. As a result, Non-Routine applications are subject to greater scrutiny than Routine applications. In addition to the administrative review, all Non-Routine AOR applications will receive a comprehensive technical review.</p> <p>An AOR application will be considered Non-Routine if:</p> <ul style="list-style-type: none"> • There is a record of historical spills on-or off-lease; • A Phase II ESA has been completed on site; • Vegetation, landscape, or weed concerns were identified during the DSA; • Surface improvements exist on site; • Gas migration issues exist/have existed historically on site; • Surface casing vent flow issues exist/have existed historically on site; • Groundwater protection issues exist/have existed historically on site; 	<p>Explanation of Non-Routine AOR application type.</p>

Existing Section/Wording	New Section and Wording	Explanation of Proposed Changes
	<ul style="list-style-type: none"> • It is a Risk Based Site Closure subject to the requirements of section 4.9.3; • It is an Administrative Controls subject to the requirements of section 4.9.4; • There are landowner concerns; and/or • The Landowner Acknowledgement Form was not signed. <p>ER realizes that situations may arise where a signed Landowner Acknowledgement Form can not be obtained. In these instances, the unsigned Landowner Acknowledgement Form (with the general information portion completed) must be included with all attachments meeting the requirements as outlined in Section 4.4. A non-routine application may be submitted no earlier than 90 days from the date of first attempted contact with a landowner after a passing DSA has been submitted along with multiple documented attempts to contact the landowner. Documentary evidence relating to such attempts must include:</p> <ul style="list-style-type: none"> • written explanation, in place of the landowner feedback, which provides: <ul style="list-style-type: none"> • contact information (name and phone number) for all of the applicable surface owner(s); • documentation of the correspondence with the landowner(s) to attempt to obtain the signed Landowner Acknowledgement Form, including: <ul style="list-style-type: none"> • the date the surface owner(s) were provided the Landowner Acknowledgement Form; • the contact name and the company that was trying to contact the surface owner(s); 	

Existing Section/Wording	New Section and Wording	Explanation of Proposed Changes
	<ul style="list-style-type: none"> • the contact method used; • date/time of contact attempts; and • the results of each attempt; • specific reasons why the landowner was unwilling to complete/sign the form; and • documentation of any work that was carried out to satisfy the landowner to reach an agreement, where applicable. 	
<p>NEW</p>	<p>4.9.3 Risk Based Site Closures</p> <p>A Risk Based Site Closure is designated for sites that have sodium chloride impacts above regulatory limits but within site specific guidelines. Only sites where it can be demonstrated that sodium chloride impacts remaining <i>in situ</i> do not present future risk to environmental receptors are eligible for Risk Based Site Closure.</p> <p>As a result, Risk Based Site Closures are subject to a high level of scrutiny. Additional site assessment is needed and risks to all environmental receptors must be extensively investigated. A site must be pre-approved by ER prior to pursuing Risk Based Site Closure and the subsequent Risk Based Site Closure AOR. Risk Based Site Closures will be determined and approved by ER on a site-by-site basis.</p> <p>Given the level of ER involvement, all Risk Based Site Closure AOR application applicable sites must be sent to lmb@gov.sk.ca for prior ER review and approval. Based on a review of all submitted information a plan will be developed between industry and ER for a Risk Based Site Closure AOR. An authorized plan may then be submitted as a</p>	<p>Explanation of Risk-Based Site Closures as a type of non-routine AOR application.</p>

Existing Section/Wording	New Section and Wording	Explanation of Proposed Changes
	Non-Routine AOR application pursuant to section 4.9.2.	
NEW	<p>4.9.4 Administrative Controls</p> <p>Administrative Controls may be designated for sites that have sodium chloride impacts above regulatory limits and site specific guidelines where additional remediation has been determined to not be warranted. Only sites in which it can be demonstrated that sodium chloride impacts remaining <i>in situ</i> do not present future risk to environmental receptors outside of the existing footprint are eligible for Administrative Controls.</p> <p>As a result, Administrative Controls are subject to a high level of scrutiny. Additional site assessment is needed and risks to all environmental receptors must be extensively investigated. A site must be pre-approved by ER prior to submitting an AOR application for Administrative Controls and ER must be involved in all steps leading up to an Administrative Controls AOR.</p> <p>ER must be involved in all stakeholder communications in the Administrative Controls process. If sites are presented to ER where negotiations for compensation have already been completed without ER involvement the site may be deemed ineligible for an Administrative Controls AOR.</p> <p>If in the opinion of the minister the oil and gas licensee has not negotiated in good faith regarding the terms of compensation to the landowner(s), the minister may order the licensee to complete full reclamation as deemed by <i>Directive PNG031: Site Specific Liability Assessment</i>.</p>	Explanation of Administrative Controls, which relate to the Risk-Based Site Closure AOR application type.

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	<p>Administrative Controls will be determined and approved on a site by site basis. As such, the investigations, registered interests and site restrictions will be unique for each individual site. Given the level of ER involvement, an application for Administrative Controls must be sent to lmb@gov.sk.ca for prior ER review and approval. An authorized plan may then be submitted as a Non-Routine AOR application pursuant to section 4.9.2.</p>	
NEW	<p>9.3 Technical Review Audit</p> <p>To confirm recommendations given in the Risk Based Site Closure and Administrative Controls AOR application are technically sound, selected sites will have an audit administered by ER conducted on documentation included in the AOR application. The Risk Based Site Closure and Administrative Controls audits, advertised on SaskTenders, will be conducted by a third party consultant and include a full file review.</p>	<p>New section added to address technical review audits for Risk-Based Site Closure and Administrative Controls AOR applications.</p>

Acknowledgement of Reclamation Requirements

Directive PNG016

June 2019

Revision 5.0

Governing Legislation:

Act: *The Oil and Gas Conservation Act*

Regulation: *The Oil and Gas Conservation Regulations, 2012*

Order:

Record of Change

Revision	Date	Description
0.0	October 20, 2009	
1.0	November 4, 2010	Updated information pertaining to the cover letter, detailed site assessment, surface release and submission sections
2.0	November 13, 2013	Guideline updated to be more comprehensive
3.0	July 29, 2014	Revisions to sections 2.2, 4.3, 4.4.1, 5.2, 6, 8.2, 9 and 10.
3.1	August 27, 2014	Minor revisions for clarification to sections 2.1, 4.3, 4.4.1, 5.2, 6.4.
3.2	January 29, 2015	Minor revisions for clarification and update mailing address in section 4.1.
4.0	November, 2015	Update to facilitate introduction of IRIS in 2015.
5.0	June, 2019	Updates to establish routine and non-routine AOR application types, including Risk-Based Site Closure and Administrative Controls non-routine AOR application types.

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1. Overview

This document is intended to provide clarification of the existing regulations and reclamation submission requirements overseen by the Ministry of Energy and Resources (ER).

Effective June 19, 2007, *The Oil and Gas Conservation Regulations, 1985*, were amended to require that upon abandonment of a well or decommissioning of a facility, the respective site is to be assessed, decommissioned and reclaimed and the licensee is to submit a report which substantiates the satisfactory reclamation of the site. The application for Acknowledgement of Reclamation (AOR) serves as the report.

Under the AOR Program, there are four types of applications available to licensees seeking to satisfy their reclamation obligations for their well and facility sites:

- **Acknowledgement of Reclamation** - For sites reclaimed in accordance with *The Oil and Gas Conservation Regulations, 2012* (OGCR);
- **Grandfathered Reclamation Release** - For sites that were reclaimed before the implementation of the AOR Program on June 19, 2007.
- **Full Exemption from Reclamation (fully overlapping activity)** – For sites where reclamation is prevented due to full overlapping well or facility activities on the land area;
- **Partial Exemption from Reclamation (partially overlapping activity)** – For sites where reclamation is prevented due to partial overlapping well or facility activities on the land area.

Licensees can obtain a list of wells and facilities that are subject to the AOR Program by viewing the *LLR Well List* or *LLR Facility List* provided on www.saskatchewan.ca. By applying the following selection criteria to the *Lists* a licensee can determine their wells or facilities with outstanding reclamation obligations

- Select the licensee's name from the Operator Name column
- Set the Well Status column to 'cancelled' or 'abandoned' (i.e. cut and capped for a well) AND
- Set the Grandfathered Reclamation Release column to blank AND
- Set the Acknowledgment of Reclamation (AOR) column to blank AND
- Set the Exemption from Reclamation column to blank or contains a "P".

2. Scope of the Acknowledgement of Reclamation Program

Pursuant to section 56(5) of the OGCR, an application for AOR must be submitted for any well or facility site in which reclamation has not been completed prior to June 19, 2007.

A "well" in section 2(xx) of the OGCR is defined below and does not include seismic shot holes, structure test holes or oil shale core holes (that were approved under permit prior to April 2012):

- Any opening in the ground made within Saskatchewan from which any oil, gas, oil and gas or other hydrocarbon is, has been or is capable of being produced from a reservoir;
- Any opening in the ground that is made for the purpose of:
 - Obtaining water to inject into an underground formation;
 - Injecting any substance into an underground formation;

- Storing oil, gas or other hydrocarbons underground; or
- Monitoring reservoir performance and obtaining geological information; or
- Any opening in the ground made for informational purposes pursuant to *The Subsurface Mineral Conservation Regulations*. This includes dry and abandoned wells, stratigraphic test wells and licensed wells associated with potash and coal.

A “facility” in section 2(m) of the OGCR is defined as any building, structure, installation, equipment or appurtenance that is connected to or associated with the recovery, development, production, storage, handling, processing, treatment or disposal of oil, gas, water, products or other substances that are produced from or injected into a well, but does not include pipelines or flow lines.

A “site” as defined in the OGCR includes the access road and is not limited to the extent of the leased area. Furthermore, section 56(1)(d), (2)(d) and (3)(d) require reclamation of any area beyond the site boundary that have been damaged, contaminated or otherwise adversely affected by the operations of the well or facility.

“Reclamation” as defined in section 2(jj) of the OGCR, includes:

- Decontaminating, excavating, removing, sequestering, 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;
- Re-contouring, landscaping, replacing or replenishing the topsoil and re-vegetating the surface of the soil so that it is compatible with its surroundings; and
- Decommissioning a site to remove surface infrastructure, equipment, machinery, concrete, refuse and materials.

The licensee is expected to return the site as reasonably close to the conditions that existed prior to the time the well/facility operation was commenced. Therefore the licensee shall:

- Remove all refuse material from the site and access;
- Drain and fill all excavations;
- Remove equipment and machinery, if applicable;
- Remove all surface infrastructure associated with the well/facility site; this includes but is not limited to: overhead power lines, culverts, fences, access roads, trails, above/below ground storage tanks, cement pads, water wells, borrow pits, etc.; and
- Level the surface to blend with the surrounding drainage/contours.

3. Alternatives to the Acknowledgement of Reclamation Application

Licensees seeking to satisfy their well or facility site reclamation obligations may qualify to be exempted from the AOR application submission required under the OGCR. To determine if a site is eligible for one of the alternative application submissions, review the information provided below or visit www.saskatchewan.ca.

3.1 Grandfathered Reclamation Release Application Requirements

Licensees of well and/or facility sites that were reclaimed before the implementation of the AOR Program on June 19, 2007, may qualify to be exempt (grandfathered) from an AOR application submission required under the OGCR.

The Grandfathered Reclamation Release authorization applies to those well and facility sites that were reclaimed before June 19, 2007 where ER has no record of either:

- A surface lease release from the surface owner after completion of the reclamation work; or
- A certificate of release for the restoration of the well or facility site issued by the Surface Rights Board of Arbitration.

If eligible, the licensee may submit the completed *Grandfathered Reclamation Release Form* (available on www.saskatchewan.ca) and required attachments for consideration:

- **Survey** (use the most recent proposed or as-drilled survey available that accompanied the well or facility licence) that clearly identifies:
 - Areas where land use differs from historical surrounding land use;
 - Exemption from Reclamation areas approved by ER (highlighted in green) along with the Licensee and Licence # that retains reclamation responsibility of the exempted area;
 - Landowner authorized “improvements” remaining on site (highlighted in red); and
 - The remaining site and access road (highlighted in yellow).
- **Surface title(s)** from Information Services Corporation (ISC) identifying all of the current registered surface owner(s) associated with the given well/facility site and access road.
- **Release** which may include one or more of the following documents:
 - Surface Lease Release signed by the landowner;
 - Certificate of Release issued by the Surface Rights Board of Arbitration;
 - NOTE: where the above documents do not match the current surface title holder(s) the Landowner Acknowledgement Form (available on www.saskatchewan.ca) is required to ensure there are no existing issues at the site.
- **Evidence of the reclamation** must be submitted where a Surface Lease Release or Certificate of Release was not dated prior to June 19, 2007.
 - For example, a time stamped air photo prior to June 2007 may be used provided it shows the site is equivalent to the surrounding area and no issues exist.

For sites that would otherwise qualify as grandfathered, but where there is information that would suggest an issue may still be present (contamination or otherwise), ER may require that the AOR application process be followed instead.

3.2 Exemption from Reclamation Application Requirements for Cancelled Well Licence Sites without Surface Disturbance

Licensees of licensed cancelled well and facility sites qualify to be exempted from an AOR application required under the OGCR provided no surface disturbance exists at the site.

ER considers surface disturbance to be any physical disturbance at a site by the licensee beyond the survey. This includes stripping soil or preparing the site, installing a fence, etc.

If surface disturbance exists (solely due to the cancelled licence) at a cancelled site ER will require an application in accordance with the AOR requirements in [section 5.2](#) (licensed sites) or [section 5.3](#) (unlicensed sites).

Licensees of licensed cancelled well and facility sites without surface disturbance are exempt from an AOR application and are not required to submit any form of application to zero the liability of the licence.

ER does not require a submission for unlicensed cancelled well or facility sites where no surface disturbance occurred, other than a survey.

3.3 Exemption from Reclamation Application Requirements for Sites with Overlapping Activity

Licensees of well and/or facility sites where timely reclamation is prevented due to overlapping activities on the land area may qualify to have the AOR application submission required under the OGCR exempted in full or in part.

A licensee may apply for an exemption from reclamation when the land area of their cancelled/cut and cap abandoned well or decommissioned facility overlaps with another well or facility operation, belonging to the same or different licensees. However, Exemption from Reclamation approval is not guaranteed. Therefore, ER recommends the licensee seek and receive partial exemption approval before reclamation work is carried out at the site to ensure the licensee does not incur additional work (at their expense) in the future prior to ER granting an AOR approval.

The following sections provide examples of situations where the exemption from reclamation may be applied to overlapping activities involving the same licensee ([section 3.3.1](#)), different licensees ([section 3.3.2](#)), or overlap due to the occurrence of a contamination event off lease ([section 3.3.3](#)).

If eligible, the licensee may submit the completed *Exemption from Reclamation (overlap activity) Form* (available on www.saskatchewan.ca) and required attachments for consideration:

- Obtain the most recent survey for both of the licences involved in the overlap land activity. Each survey must clearly define the following:
 - Boundary of the well or facility site;
 - Boundary of the associated access road, where applicable;
 - Surface co-ordinates of the given well, where applicable;
 - Surveyed area assigned to the given well or facility site; and
 - Surveyed area assigned to associated access road, where applicable
- Complete the *Exemption from Reclamation (overlap activity) Form*:
 - All required information must be completed (i.e. if there is no non-exempt area remaining, a '0' must be entered – the field cannot be left blank);
 - Refer to IRIS to ensure the correct owner names are provided for the licence numbers identified.

- Both sections must be completed and signed/dated by their applicable representatives to validate the document regardless of whether the exemption involves a single or multiple licensees.
 - The first section provides details of the licensed well/facility site and the licensee requesting the exemption from reclamation due to overlapping land activity. Note: the Orphan Fund Procurement Manager is the representative signature required for deemed orphan well or facility sites.
 - The second section provides details of the licensed well/facility site and the licensee accepting responsibility to reclaim the exempted/overlapping area of land.
 - Note: if the overlap activity involves different licensees the application must be completed jointly by the applicable licensees.

- Prepare each of the surveys involved in the overlap activity as follows:
 - Use an arrow to clearly indicate the applicable well surface location or facility boundary and label it with the corresponding licence number.
 - Highlight the applicable areas (so you can still see the survey information beneath it):
 - Green - overlap area being requested for exemption
 - Yellow - any non-exempt site or access area associated with the licence proposed for exemption
 - Blue - any non-exempt site or access area associated with the licence proposed to take on the reclamation obligations of the exempted area.
 - Provide the calculations used to derive the area assigned to the site, access, overlap and non-overlap areas reported on the exemption form, where it is not obvious.

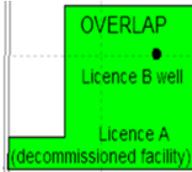
If an Exemption from Reclamation (overlap activity) is approved, the responsibility to reclaim the exempted area is transferred to the licensee identified in the application who accepted responsibility of the lands with the overlapping activity. ER may increase the reclamation liability of the licence taking on the reclamation obligations of the exempted area if its current reclamation liability is less than the licence receiving the exemption. This is done to ensure there is sufficient coverage to reclaim the exempted area.

3.3.1 Site Overlap Activities Involving a Single Licensee

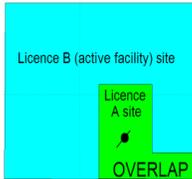
A single licensee may be unable to fully reclaim an abandoned/cancelled licensed well or decommissioned facility site because the entire land area, or a portion thereof, is still being used for another one of their well or facility operations.

In this situation the single licensee would complete both sections of the Exemption from Reclamation (overlap activity) Form, along with the survey requirements, as they would be applying to both exempt the reclamation requirements of the overlap area (portion or entire site) associated with their one licensed site and accept to transfer the reclamation responsibility to their other licensed site. The licensee must disclose any known issues (contamination or otherwise) existing at the proposed exempted area within the exemption application.

Some examples of activities that would be considered for full exemption from reclamation involving a single licensee are:



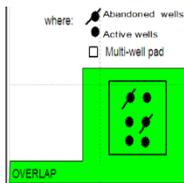
Example 1: A single licensee has a decommissioned facility site (licence A) and an active well (licence B) that share the exact same lease boundary. In this instance the licensee cannot reclaim the facility site as they need it for the well operation. Therefore, the licensee may apply to ER to have the entire site overlap exempted from licence A's reclamation requirements and transferred to licence B.



Example 2: A single licensee has two leased sites in which the abandoned well (licence A) lease boundary is entirely contained within their active facility (licence B) lease boundary. In this instance the licensee cannot reclaim the well site as they need it for the facility operation. Therefore, the licensee may apply to ER to have the entire site overlap exempted from licence A's reclamation requirements and transferred to licence B.



Example 3: A single licensee has an abandoned well (licence A) and active well (licence B) that share the exact same lease boundary. In this instance the licensee cannot reclaim the site as they need it for the licence B well operation. Therefore, the licensee may apply to ER to have the entire site overlap exempted from licence A's reclamation requirements and transferred to licence B.

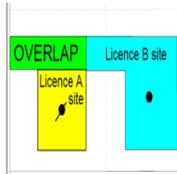


Example 4: A single licensee has a multi-well pad located on a single lease site that that consists of both abandoned and active wells. In this instance the licensee cannot reclaim the site as they need it for operating the active wells. Therefore, the licensee can apply to ER to have the entire site overlap exempted from the abandoned wells reclamation requirements and transferred to one of the active wells on the pad. A separate exemption application is required for each abandoned well on the pad.

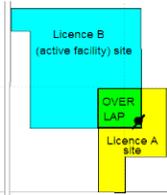
Example 5: A single licensee intended to drill a well on the exact same lease boundary where they already operate an existing well. The licensee later decided not to drill the proposed well and subsequently cancels the licence. Therefore, the licensee can apply to ER to have the entire site overlap exempted from the cancelled wells reclamation requirements and transferred to the existing well on the site.

Example 6: A single licensee built and prepared a proposed wellsite, However, they did not drill the well within a year and the licence subsequently expired and was cancelled. The licensee does not want to reclaim the site because they intend to licence and drill a well on the built lease. Therefore, the licensee can apply to ER to have the entire site overlap exempted from the reclamation requirements of the cancelled well and transferred to the newly licensed well once it is drilled.

Some examples of overlap activities that would be considered for **partial exemption from reclamation:**



Example 1: A single licensee has two separately leased sites that are connected by the same access road. Entry to both sites is through the abandoned licence A well. In this instance the access road (overlap portion) cannot be reclaimed with the licence A site as it is needed to access the licence B site. Therefore, the licensee may apply to ER to have the overlap portion exempted from licence A’s reclamation requirements and transferred to licence B.



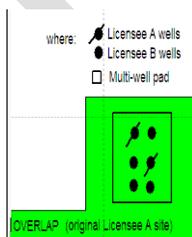
Example 2: A single licensee has two separately leased sites in which the abandoned licence A well site and the active Licence B facility site share a common land area. In this instance the overlap portion cannot be reclaimed with the licence A site as it is needed to operate the licence B site. Therefore, the licensee may apply to ER to have the overlap portion exempted from licence A’s reclamation requirements and transferred to licence B.

3.3.2 Site Overlap Activities Involving Different Licensees

A licensee may be unable to fully reclaim an abandoned/cancelled licensed well or decommissioned facility site because another licensee is currently using a portion or the entire land area to operate their own licensed well or facility.

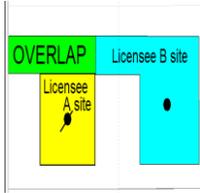
In this situation, the licensees must jointly complete the *Exemption from Reclamation (overlap activity) Form* whereby one licensee applies to exempt the overlapping area from their reclamation requirements, and the second licensee acknowledges responsibility for the future reclamation of the exempted area. The licensee who is applying for exemption must disclose any known issues (contamination or otherwise) existing at the proposed exempted area within the exemption application.

An example of overlap activities that would be considered for full exemption from reclamation involving different licensees:

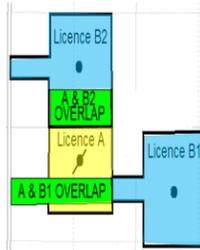


Licensee A has a multi-well pad located on a single lease site that consists of both abandoned and active wells. Licensee A decides to retain the abandoned wells and sells the active wells to licensee B. In this instance licensee A cannot reclaim the site as licensee B needs it to operate their active wells. Therefore, the licensees may jointly apply to ER to have the entire site overlap exempted from licensee A’s reclamation requirements and transferred to one of the active licensee B wells. A separate exemption application would be required for each of the abandoned wells.

Some examples of overlap activities that would be considered for partial exemption from reclamation involving different licensees:



Example 1: Licensee A has an abandoned well site with an access road that is also being used by licensee B to gain entry to their licence B well site. In this instance the access road (overlap portion) cannot be reclaimed with licensee A's site as it is needed to access licensee B's site, Therefore, the licensees may jointly apply to ER to have the overlap portion exempted from licence A's reclamation requirements and transferred to licence B.

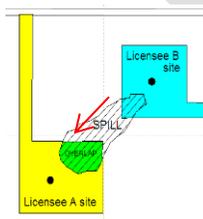


Example 2: Licensee A has an abandoned well site which is partially overlapped by two other active well sites operated by licensee B (licence B1 and B2). In this instance the two overlap areas cannot be reclaimed with licence A's non-overlap area as they are needed by Licensee B. For licensee A to satisfy their reclamation obligations the licensees (A and B) must jointly apply to ER to have the overlap portions exempted from licence A's reclamation requirements and transferred to licence B1 and B2. A separate exemption application would be required to receive partial exemption for the licence A & B1 overlap and for the licence A & B2 overlap. After the partial exemption approvals have been obtained licensee A must reclaim the non-exempted portion of the licence A site and submit an AOR application to have the reclamation liability removed.

3.3.3 Overlap Due to Off-lease Contamination Issues

Situations may arise where the activities of one licensee's site may have adversely impacted another licensee's site (for example a spill occurred). The responsible party is expected to have the impacted lands reclaimed as soon as possible. Licensees are reminded that pursuant to section 17.01 of the *The Oil and Gas Conservation Act* (OGCA), ER may intervene, if necessary, and order the responsible party to carry out reclamation work for the purpose of public safety or the safety of any person, for the protection of property or the environment, etc.

ER realizes that reclamation of the impacted area in a timely manner may not always be possible. As such, ER may consider an Exemption from Reclamation (overlap activity) application that is jointly completed by both licensees and accompanied by a Phase II investigation, remediation plan and the applicable licence surveys. It is the responsibility of the licensee whose site the impact originated from to have the Phase II and remediation plan prepared.



For example, Licensee A's site has been impacted by a spill originating from the operations at Licensee B's site. The spill extends from the surface to the subsoil and groundwater. In this situation Licensee A may apply to ER to have the impacted portion of their site exempted from their reclamation requirements and transferred to Licensee B.

If all requirements of the application have been met, ER will notify both Licensees that Licence A has received a partial Exemption from Reclamation. At this time the liability associated with the Licence A site will remain unchanged. However, the liability associated with the Licence B site may be increased depending on the extent of contamination. When Licensee A reclaims the remainder of their site they can submit an AOR

application that excludes the area impacted by Licensee B's site to have the liability removed. Likewise, when Licensee B reclaims their site, assuming Licensee A is no longer using the site, they must submit an AOR application that includes the impacted area exempted from Licensee A's responsibility.

4. Acknowledgement of Reclamation Application Components

Pursuant to section 56(1) and 56(2) of the OGCR, upon abandonment of a well or decommissioning of a facility, the respective site is required to be assessed, decommissioned and reclaimed and the licensee is required to submit a report (AOR application) that substantiates the satisfactory reclamation of the site.

Furthermore, the AOR application is to be submitted within six months after the site has been assessed and reclamation has been completed as per section 56(5) of the OGCR. For clarity this should be understood as meaning the application is due within 6 months of the completion of a passing detailed site assessment as the definition of reclamation includes site restoration and re-vegetation.

The AOR application is required for all well and facility sites, including: dry and abandoned wells, stratigraphic test wells, built not drilled well sites, and licensed wells associated with potash and coal exploration.

The AOR application must be prepared, with the exception of the cover letter and landowner acknowledgement sections, and submitted by a qualified third party consultant (as defined in [section 4.8](#)) and include the following components:

- **Cover Letter** – intent of application, licensee contact information and signed declaration;
- **AOR Application Checklist** – checklist to confirm type of application;
- **Summary Statement of Conclusions and Recommendations**– consultants summary of the site, contact information and signed declaration;
- **Landowner(s) Acknowledgement** – acknowledgment signed by the registered surface owner(s) or authorized designate, along with corresponding details relating to the given site/access (i.e. current ISC surface titles, survey and disclosure of any pipelines and/or flowlines left onsite);
- **Environmental Site Assessment (ESA)** – Phase I ESA is mandatory; along with subsequent Phase II ESA, where required;
- **Remediation Report** – where applicable, summarizing the work conducted to address any issues identified at the site;
- **Detailed Site Assessment (DSA)** – a soil, vegetation and landscape assessment of the re-contoured and re-vegetated site.

The minimum requirements for each component of the AOR application are explained in detail in the following sections.

4.1 Cover Letter Requirements

The Licensee ultimately bears responsibility for their sites as it is the licensee that is seeking an AOR approval to remove the associated reclamation liability. Therefore, the licensee must prepare the cover letter to accompany the AOR submission made by the third party consultant. Unsigned documents and/or incomplete submissions will result in the application being rejected.

The cover letter must include the following information:

- **Well or facility site information**, such as:
 - Licence # (where applicable);
 - Unique well identifier (if applicable); and
 - Legal Land Description of the site Surface location.
- **Contact information** – licensee name and mailing address along with the licensee representatives name, phone number and email address (as ER may need to contact them to discuss a component of the submission).
- **Intent of the application** – to apply for an AOR;
- **Supplementary information** – provide additional support, from the licensee’s perspective, regarding the site that was not already addressed in the application (i.e. address why a third party consultant’s recommendations may not have been carried out by including an alternate interpretation, or why a landowner complaint may not have been considered valid, etc.).
- **Declaration statement** – acknowledgement by the licensee representative that the site reclamation has met all ER requirements (including required signatures on all documents).
- **Signature** – the licensee representative must sign and date the cover letter to validate the declaration statement.

Although the cover letter will be submitted with the entire AOR application, by the third party consultant, the licensee may wish to address the cover letter to the following:

Liability Management Branch
Ministry of Energy and Resources
1000, 2103 11th Avenue
Regina, Saskatchewan
S4P 3Z8

4.2 Acknowledgement of Reclamation Application Checklist

Following the cover letter, the third party consultant must provide a filled out copy of the AOR Application Checklist showing if the application being submitted is Routine or Non-Routine. The checklist can be found in the AOR Application section of www.saskatchewan.ca.

4.3 Summary Statement of Conclusions and Recommendations Requirements

Following the cover letter, the third party consultant must provide a concise statement that summarizes all of the components of the AOR application’s most relevant information pertaining to the site. This should include the reclamation/restoration work performed at the

site that supports the recommendation that the site is suitable for AOR in the professional opinion of the consultant. ER considers this component extremely important and it must be present and completed by a third party consultant. Otherwise, the application will be rejected.

The Summary Statement of Conclusions and Recommendations must include the following information:

- **Well or facility site information**, such as:
 - Licence # (where applicable);
 - Unique well identifier(if applicable); and
 - Legal Land Description of the site Surface location.
- **Contact information** – third party consultant company name along with the name, phone number and email address of the consultant who prepared this summary (this should generally be the same consultant that prepared the passing DSA and will be submitting the AOR application on behalf of the licensee).
- **Summary** – this may include a chronological history of the site, the purpose of the site, the well or facility type, whether or not the well produced/injected, spill events, inconsistencies in data, potential justification if DSA or remediation criteria could not be met. If the Phase I ESA was done prior to well abandonment (i.e. cut and cap) or a facility being fully decommissioned, then this summary must also address section C of the Phase I ESA Form (available on www.saskatchewan.ca).
- The following is an example of a summary statement of conclusions and recommendations:

“As part of the Phase I ESA, all available documentation was researched including drilling records, drilling waste disposal documentation, etc. There are no records of any spills or incidents that occurred on the site that would be of environmental concern. A site visit was conducted and there was no evidence of contamination or impacts to adjacent lands. The well was drilled in March 2011 as a stratigraphic test well for sampling purposes only; the well was not used for oil and gas production purposes and it was subsequently abandoned in May 2011. Based on the results of the ESA and the relative low risk of the well, it is concluded that the likelihood of adverse impacts caused by the existence of the well are remote and therefore it is recommended that further investigation is not warranted. A DSA was conducted in August 2012 and the results indicate a pass for all DSA criteria. The landowner did not raise any concerns with the reclamation and signed the Landowner Acknowledgement Form on September 12, 2012. It is concluded that the site has been successfully reclaimed and is recommended for Acknowledgement of Reclamation.”
- **Declaration statement** – acknowledgement by the consultant that the site reclamation has met all ER requirements (including required signatures on all documents);
- **Signature** – the qualified third party consultant must sign, and professional seal, where applicable, date and indicate third party consultant qualification (as defined in [section 4.78](#)) within the summary statement of conclusions and recommendations document to validate the declaration statement.

4.4 Landowner(s) Acknowledgement Requirements

The landowner acknowledgement does not constitute a surface lease release or have any relevance on the surface agreement made between the licensee and landowner(s) or the Surface Rights Board of Arbitration requirements.

ER considers a landowner acknowledgement an important component of the AOR application to substantiate the surface owner(s) satisfaction with the reclamation that has occurred at the given site/access, Therefore, only acknowledgements signed after a passing DSA has been obtained will be accepted within the AOR application.

To standardize this component of the AOR application, ER has developed a *Landowner Acknowledgement Form* available on www.saskatchewan.ca. The form must be completed jointly by the licensee (representative or third party consultant) and **all** applicable surface owner(s) or their authorized designate. Multiple surface owners residing at the same address may complete a single form, with all necessary signatures.

ER requires the licensee make the AOR application available to the surface owner(s) or their designates, if requested, and allow them 30 days to review all supplied information and investigate the site prior to returning the completed form. Prior to distributing the form and required attachments to the applicable surface owner(s), the Licensee must:

- Complete the General Information section;
- Complete questions 3 to 6 of the Reclamation Feedback section for situations that are not applicable so the surface owner knows a response is not required;
- Complete question 4 of the Reclamation Feedback section, where applicable, to identify any “improvement” features where the licensee is seeking the surface owner(s) authorization to remain in place. ER will not accept “improvements”, even with the surface owner(s) authorization, if they are not legitimate or logical or if they pose a potential environmental risk, such as:
 - Access roads or cement pads that are unstable, hazardous or erosive;
 - Contaminated soil or groundwater that are not remediated or risk managed; or
 - Areas that are not reclaimed and are not improvements for landowner use.
- Obtain the surface title(s) from [Information Services Corporation \(ISC\)](#) identifying all current registered surface owner(s) associated with the given well/facility site and access road. ER’s Liability Management Branch must be notified if the licensee/consultant becomes aware of any changes made to the surface title ownership after the AOR application is submitted and prior to the AOR approval being issued;
- Obtain the applicable survey (use the most recent proposed or as-drilled survey that accompanied the well or facility licence) and clearly identify:
 - Areas where land use differs from historical surrounding land use;
 - Exemption from Reclamation areas approved by ER (highlighted in green) along with the Licensee and Licence # that retains reclamation responsibility of the exempted area;
 - Landowner authorized “improvements” remaining on site (highlighted in red); and
 - The remaining site and access road (highlighted in yellow).
- Obtain a disclosure survey, diagram or sketch, where applicable that identifies the approximate location of any pipelines, flowlines, or other underground lines remaining in-place that were used in the well/facility site operation;

- Obtain authorized designate documentation, where applicable that clearly demonstrates the authority of the designate to complete the Landowner Acknowledgement Form on behalf of the registered surface owner(s). Acceptable documentation may include:
 - A letter signed by the registered surface owner(s) appointing a designate where multiple surface owners are involved;
 - Documentation showing the designate as the executor of estate, power of attorney, or representing lawyer, where the title is held “in-trust” or to someone who has passed away or is incapacitated;
 - A business card or explanation of the designates affiliation with the organization (i.e. Ministry of Environment, Ministry of Agriculture, etc.) which is acting on behalf of Her Majesty the Queen (HMQ) (refer to the *Addresses for Service* portion of the surface title to determine the organization acting on HMQ’s behalf);
 - Saskatchewan corporate registry Profile Report from ISC that clearly identifies the designated authority/role (i.e. the president, holding the majority of the voting shares in the corporation), where the surface title is held by a corporation; or
 - any other documents which demonstrate such authority.

The licensees are expected to make every necessary effort to resolve issues at the given site with the landowner(s) prior to submitting an AOR application. Where unresolved landowner issues are identified in the Landowner Acknowledgement Form, the landowner will be contacted by ER to assess the scope and nature of the issue. If ER determines the complaint is substantiated, the licensee will be notified that the AOR application is rejected and the applicant will be required to revisit the site and conduct additional work (at their own expense) before an AOR application will be considered.

4.5 Environmental Site Assessment

A third party Environmental Site Assessment (ESA) (minimum Phase I ESA) is required to be conducted **upon abandonment of a well (i.e. cut and capped) or decommissioning** of a facility as per section 56(1) and 56(2) of the OGCR, with the exception of built not drilled well sites ([sections 5.2](#) and [5.3](#)).

The ESAs must meet the standards set by *Directive PNG033: Phase II Environmental Site Assessment* (available on www.saskatchewan.ca) and Canadian Standards Association (CSA) [Phase I ESA \(Z768-01\)](#) and [Phase II ESA \(Z769-00\)](#) documentation. The following sections will provide the Phase I and II ESA documentation requirements for the AOR application submission.

4.5.1 Phase I ESA Requirements

To standardize this component of the AOR application, ER has developed a *Phase I ESA Form* available on www.saskatchewan.ca. The *Phase I Form* is a fillable pdf that must be completed electronically to ensure the data entered meets the requirements of the dropdown options provided.

All sections within the *Phase I ESA Form* and required attachments are mandatory, unless otherwise indicated within the form, and the qualified third party consultant must complete the declaration portion of the Phase I ESA Form to validate the document. An unsigned and/or incomplete Phase I ESA Form will result in the AOR application being rejected.

The Phase I ESA may be conducted prior to well abandonment or facility decommissioning. However, where this occurs ER requires section C of the Phase I ESA Form to be addressed in the Summary Statement of Conclusions and Recommendations ([section 4.3](#)) component of the AOR application to ensure the application is complete.

All components of the Phase I ESA Form must be completed by a single third party consultant company and address the following four principal components:

1. **Record/Desk-top Review**

The third party consultant should conduct a search to acquire all relevant information regarding the site being investigated. At a minimum, the consultant should review the following information:

DRAFT

Records to be reviewed	Source of Information
Surface Title Search	Information Services Corporation (ISC) – Land Titles
Aerial Photographs	ISC – Maps & Photos or Google maps
Historical Site Activity (i.e. well, facility, pipeline, flow lines)	Companies files or GeoScout or AccuMap or ER’s Info Map, ER’s IRIS system or hardcopy files* or the <i>Licensee Liability Rating (LLR) Well or Facility Lists</i> available on www.saskatchewan.ca
Previous ESA reports	Companies files or ER’s IRIS system or hardcopy files*
Site Specific Records (i.e. licence, survey, A1 form, daily drilling reports, landowner(s) approval to dispose of material off-site, drilling mud and additive list, tour reports, manifests, contractor invoices/truck ticket/invoices etc.)	Companies files or ER’s IRIS system or hardcopy files*
Upstream Incident/Spill Information	<ol style="list-style-type: none"> 1) Companies files or 2) Visit ER’s Incident Management and Reporting Webpage (available on www.saskatchewan.ca) to obtain the <i>PNG Spill Directory</i> that contains all upstream spills/incidents reports submitted to ER prior to 5 PM on October 30, 2015; 3) ER’s IRIS system that contains all upstream spills/incidents reports submitted to ER after 5 PM on October 30, 2015.
Site Topography, Soil Classification, Groundwater Maps, or Hydrological Reports	Company files or Water Security Agency of Saskatchewan
Salinity Maps	Agriculture & Agri-Foods - South Saskatchewan & North Saskatchewan Maps
<p>*ER’s IRIS system can only be accessed by those with a valid Business Associate (BA) ID.</p> <p>Where company files are incomplete, non-confidential information may be viewed through ER’s IRIS system by those with a valid Business Associate (BA) ID. Those without access to ER’s IRIS system can make information requests through the ER Service Desk at 1-855-219-9373 or ER.servicedesk@gov.sk.ca.</p>	

2. **Site Visit/Inspection**

A site visit is mandatory for the Phase I ESA and photographs must be included that substantiate the condition of the site along with any visual signs of on-site/off-site soil contamination (i.e. surface staining, reduced vegetation growth, visible salt crystals, etc.) that was noted at the time of the visit. Each picture must include a caption detailing the date taken, location taken from, direction facing and significance of what is being photographed. If at all possible, please include a panoramic photo of the site to provide a better perspective to those reviewing the AOR application.

3. **Interviews**

In some cases, a landowner/occupant is the only knowledgeable source of information on the history of the site. Therefore, an application is considered incomplete if there is no indication that the landowner was contacted during the Phase I ESA.

Several attempts should be made to contact the landowner, their designate or an occupant, and each attempt should be documented. A single unanswered phone call is not sufficient. If the landowner or occupant cannot be contacted after several attempts, proof of reasonable attempts by the consultant including the dates, time and method(s) used (phone, email, registered mail, in person, etc.) must be provided.

As part of the applicant's due diligence to determine potential sources of contamination, interviews must be conducted with the site landowner/occupant/operator and potentially the adjacent landowner/occupant. For Crown land, a landowner interview is not required. However, an interview must be conducted with the occupant or renter, where one exists.

The details to be discussed during the interview include, but are not limited to, the following:

- Site history and location of facilities or structures;
- Waste management and waste disposal practices;
- Spills and the clean-up procedures implemented;
- Location of unproductive land (i.e. salt, sterilant or hydrocarbon damaged soil);
- Location of slumping soil (especially around the well head);
- Location of backfilled and/or previously remediated drilling sumps and pits; and
- Concerns or comments regarding any problem areas that may have been missed and the degree of satisfaction with the remediation/reclamation work.

If the third party consultant conducting the assessment has a concern or receives a complaint from the landowner/occupant regarding the site it must be investigated and addressed prior to submission of the application. Furthermore, the application must document the licensee's response in addressing the concerns or complaints. Otherwise, the application will be rejected.

4. **Phase I ESA Evaluation** (provided by the third party consultant)

ER provides latitude to the qualified consultants (defined in [section 4.8](#)) to exercise their professional judgement to ensure their client meets the reclamation regulatory obligations and due diligence requirements. It is the responsibility of the consultant to determine if the

information gathered during the Phase I ESA does or does not show evidence of actual or potential contamination and make recommendations as to whether a Phase II ESA and/or additional remediation work is required.

If information is not available, or evidence indicates further investigation is warranted because it cannot be concluded that the drilling waste was dealt with in a manner that was compliant with the *GL 99-01 Saskatchewan Drilling Waste Management Guideline* (available at www.saskatchewan.ca), then a **Phase II ESA of the site is required**.

4.5.2 Phase II ESA Requirements

The third party consultant should refer to *Saskatchewan Environmental Quality Guidelines* (available on www.saskatchewan.ca), to determine the applicable sampling parameters, requirements and remediation criteria for the given site based on the amount, quality and nature of information obtained during the Phase I ESA. ER is not opposed to the use of site assessment guidelines and remediation criteria currently used in similar jurisdictions and prior approval from ER is not required. However, an explanation of the rationale for using the alternate criteria must be addressed in the application.

The Phase II submission must be prepared by a qualified third party consultant (as defined in [section 4.8](#)) and include the following information:

- **Well or facility site information** – licence # and surface location of site;
- **Site Diagram** outlining the site and identifying the sample locations in association with the historical site infrastructure (well head, storage tanks, production pad, sumps, pits, etc.) along with the direction of surface/groundwater flow and surface water bodies. The site diagram should also show all sample locations and highlight all locations where concentrations exceed criteria;
- **Sampling/Analytical Data Summary Table** that clearly identifies the following:
 - **Sample location identifier** – BH #, well center, AST, spill, control, etc.;
 - **Sample type** – control, topsoil, subsoil, groundwater, surface water, etc.;
 - **Sample depth** – provided in centimetres;
 - **Analytical data results** – concentrations (exceeding criteria highlighted) and units; and
 - **Evaluation criteria** and source used.

Note: composite samples are not acceptable and laboratory data sheets must be included at the end of the report.

- **Photos** documenting the current condition of the site, including any environmental or contamination issue(s) associate with the site or adjacent land;
- **EM Survey** (with the site boundary and historical infrastructure identified) is a highly recommended tool. Note: ER may require an EM survey to be conducted, if not done prior to AOR submission to provide further assurance that salt contamination is not present at a site;
- **Interpretation/Discussion** provided by the third party consultant regarding the following:
 - Discussion of the soil at the site and location of any surface water bodies, depth of the water table and potential direction of surface/ground water flow (based on regional map information);

- Interpretation derived from the EM survey, if one was conducted; and
- Interpretation of the sampling/analytical data based on the criteria used to assess the extent of the contamination present on and off-site.
- **Conclusions/Recommendations** provided by the third party consultant regarding the extent of the contamination present on and off site and suggested follow up work required to remedy any issue(s) at the site. The qualified third party consultant must sign, date and stamp (where applicable) the Phase II ESA to validate the document.

4.6 Remediation Report Requirements

If issues are identified in the Phase I and/or Phase II ESAs that indicated further work is required to reclaim the site, the AOR submission must include a remediation report that summarizes the following information:

- **Well or facility site information** – licence # and surface location of site ;
- **Contact information** – of the party that did the reclamation work and prepared the reclamation report summary (include third party consultant company name along with the name, phone number and email address of the consultant who prepared the summary (preferably this should be the same consultant that prepared the passing DSA and will be submitting the AOR application on behalf of the licensee);
- **Summary** – details of the remediation activities (including the dates conducted);
- **Site diagram** indicating the impacted area in relation to the site's historical infrastructure;
- Information regarding seeding details and the use of fertilizers, herbicides, sterilant, or soil amendments such as manure, gypsum, straw, and peat must also be included where used to remediate the site;
- **Photos** of the site before and after reclamation; and
- **Confirmatory sampling and analysis** results to confirm the soil and/or water remediation has been achieved.

If excavation of contaminated soil was required as part of the site remediation strategy, the following details must also be provided in the remediation report:

- **Site diagram** should include the dimensions of excavation (length of the sides and depth), location of excavation within the site and note the volume of excavated material hauled and the disposal location;
- **Photos** of the excavated area before, during and after excavation; and
- **Confirmatory samples** of the excavated area is to include: wall and floor samples along with a background sample for comparison. Laboratory data sheets must be attached at the end of the report;
- **Sampling/analytical data summary table** that clearly identifies:
 - **Sample location identifier** – background control, excavation walls and floor;
 - **Sample depth** – provided in centimetres, where applicable;
 - **Analytical data results** – concentrations (exceeding criteria highlighted) and units; and
 - **Evaluation criteria** and **source** used.

4.7 Detailed Site Assessments Requirements

The Detailed Site Assessment (DSA) includes the assessment of the landscape, soil quality/quantity/profile, and vegetation parameters of the entire site; including the access road. The DSA must be completed for all sites, unless otherwise noted, to ensure the site is compatible with its surroundings and meets the reclamation requirements as defined in section 2(jj) of the OGCR.

As part of the AOR application the third party consultant is required to complete the DSA Form (available on www.saskatchewan.ca) to provide evidence that the site meets the criteria requirements prescribed in Directive PNG018: *Detailed Site Assessment Requirements* (Directive PNG018, available on www.saskatchewan.ca). All sections within the DSA Form and required attachments are mandatory, unless otherwise indicated and the qualified third party consultant must complete the declaration portion of the DSA Form to validate the document. A passing DSA is required with the AOR application. An unsigned, incomplete or inaccurate DSA Form will result in the AOR application being rejected.

A signed landowner(s) acknowledgement does not override the DSA results or the licensee's responsibility to remedy any issue(s) at the site. The primary purpose of landowner(s) acknowledgement is to provide further evidence that the site has been successfully reclaimed. Therefore, if the DSA indicates that issues exist, ER will require the licensee to remedy those issues regardless of whether a landowner(s) acknowledgement was obtained.

4.8 Third-Party Consultant Qualifications

Third party (arm's length) consultants must be objective, free from influence, certified in their respective profession and familiar with applicable federal, provincial and municipal legislation and published guidelines and directives used to evaluate the presence of contamination on a property and successful site reclamation. The third party consultant contracted to perform work under the AOR Program must be employed independent of the licensee to ensure there is no conflict of interest and to maintain the integrity of the AOR Program.

For the purposes of certifying the work and analysis carried out in the preparation of an AOR application, as well as the conclusions/recommendations based therein, ER defines third-party qualified consultants as any of the following:

- Licensed to engage in the practice of professional engineering/geoscience in Saskatchewan pursuant to *The Engineering and Geoscience Professions Act*;
- Licensed to practice agronomy in Saskatchewan pursuant to *The Agronomists Act*;
- Licensed to practice as a biologist or chemist by professions legislation of a Canadian province or territory;
- Licensed to practice as a forester or forest technologist in Saskatchewan pursuant to *The Forestry Professions Act*;
- Certified as an applied science technologist in Saskatchewan, with 5 years of direct experience in site assessments pursuant to *The Saskatchewan Applied Science Technologist and Technicians Act*;
- Designated by the minister.

The AOR components, with the exception of the cover letter and landowner acknowledgement sections, must be signed and dated by a qualified third party consultant to validate each document. In addition, the third party consultant must clearly indicate (beside their signature) which above qualification allows them to sign the given document (use a stamp/seal if you have one).

4.9 Acknowledgement of Reclamation Application Types

AOR applications will be screened and classified according to their application type. The two main AOR application types are Routine and Non-Routine. Risk-Based Site Closure and Administrative Controls are subtypes of non-routine applications. The AOR Application Checklist will accompany each AOR application and will distinguish between the different AOR types.

4.9.1 Routine Acknowledgement of Reclamation Application

Routine AOR applications are for sites that have a low probability of contamination or site reclamation issues. As a result, Routine AOR applications require less scrutiny than Non-Routine. Routine AOR applications will be reviewed for completeness, including formatting, page orientation, order, declaration signatures and a signed Landowner Acknowledgement Form. Select applications will be audited with a full technical review including follow up with the landowner(s).

An AOR application will be considered Routine if:

- There are no known spills;
- Phase II ESA is not required;
- No vegetation, landscape or weed concerns identified during the DSA;
- No surface improvement existing on site;
- The Landowner Acknowledgement Form is signed, completed and no concerns were declared.

4.9.2 Non-Routine Acknowledgement of Reclamation Application

Non-Routine AOR applications are designated for sites that have a higher probability of contamination and/or site reclamation issues than Routine sites. As a result, Non-Routine applications are subject to greater scrutiny than Routine applications. In addition to the administrative review, all Non-Routine AOR applications will receive a comprehensive technical review.

An AOR application will be considered Non-Routine if:

- There is a record of historical spills on- or off-lease;
- A Phase II ESA has been completed on site;
- Vegetation, landscape, or weed concerns were identified during the DSA;
- Surface improvements exist on site;
- Gas migration issues exist/have existed historically on site;
- Surface casing vent flow issues exist/have existed historically on site;
- Groundwater protection issues exist/have existed historically on site;
- It is a Risk-Based Site Closure, subject to the requirements of section 4.9.3;

- It is an Administrative Controls, subject to the requirements of section 4.9.4;
- Landowner concerns; and/or
- The Landowner Acknowledgement Form was not signed.

ER realizes that situations may arise where a signed Landowner Acknowledgement Form can not be obtained. In these instances, the unsigned Landowner Acknowledgement Form (with the general information portion completed) must be included with all attachments meeting the requirements as outlined in [section 4.4](#). A Non-Routine application may be submitted no earlier than 90 days from the date of first attempted contact with a landowner after a passing DSA has been submitted along with multiple documented attempts to contact the landowner.

Documentary evidence relating to such attempts must include:

- written explanation, in place of the landowner feedback, which provides:
 - contact information (name and phone number) for all of the applicable surface owner(s);
 - documentation of the correspondence with the landowner(s) to attempt to obtain the signed Landowner Acknowledgement Form, including:
 - the date the surface owner(s) were provided the Landowner Acknowledgement Form;
 - the contact name and the company that was trying to contact the surface owner(s);
 - the contact method used;
 - date/time of contact attempts; and
 - the results of each attempt;
 - specific reasons why the landowner was unwilling to complete/sign the form; and
 - documentation of any work that was carried out to satisfy the landowner to reach an agreement, where applicable.

4.9.3 Risk Based Site Closures

Risk Based Site Closure is designated for sites that have sodium chloride impacts above regulatory but within site specific guidelines. Only sites in which it can be demonstrated that sodium chloride impacts remaining *in situ* do not present future risk to environmental receptors are eligible for Risk Based Site Closure.

As a result, Risk Based Site Closures are subject to a high level of scrutiny. Additional site assessment is needed and risks to all environmental receptors must be extensively investigated. A site must be pre-approved by ER prior to pursuing Risk Based Site Closure and the subsequent Risk Based Site Closure AOR. Risk Based Site Closures will be determined and approved on a site by site basis.

Given the level of ER involvement, all Risk-Based Site Closure AOR application applicable sites must be sent to lmb@gov.sk.ca for prior ER review and approval. Based on review of all submitted information a plan will be developed between industry and ER for a Risk Based Site Closure AOR. An authorized plan may then be submitted as a Non-Routine AOR application pursuant to section 4.9.2.

4.9.4 Administrative Controls

Administrative Controls may be designated for sites that have sodium chloride impacts above regulatory limits and site specific guidelines where additional remediation has been determined to not be warranted. Only sites in which it can be demonstrated that sodium chloride impacts remaining *in situ* do not present future risk to environmental receptors outside of the existing footprint are eligible for Administrative Controls.

As a result, Administrative Controls are subject to a high level of scrutiny. Additional site assessment is needed and risks to all environmental receptors must be extensively investigated. A site must be pre-approved by ER prior to submitting an AOR application for Administrative Controls and ER must be involved in all steps leading up to an Administrative Controls AOR.

ER must be involved in all stakeholder communications in the Administrative Controls process. If sites are presented to ER where negotiations for compensation have already been completed without ER involvement the site may be deemed ineligible for an Administrative Controls AOR.

If in the opinion of the minister the oil and gas licensee has not negotiated in good faith regarding the terms of compensation to the landowner(s), the minister may order the licensee to complete full reclamation as deemed by the *Directive PNG031: Site Specific Liability Assessment*.

Administrative Controls will be determined and approved on a site-by-site basis. As such, the investigations, registered interests and site restrictions will be unique for each individual site. Given the level of ER involvement, an application for Administrative Controls must be sent to lmb@gov.sk.ca for prior ER review and approval. An authorized plan may then be submitted as a non-routine AOR application pursuant to section 4.9.2.

5. Modified AOR Application Submission Requirements

ER recognizes that reclamation is unique to each site and the standard AOR application components, as described in [section 4](#), may not be practical for all sites. The following sections provide some of the sites where modified AOR application submission requirements are appropriate. Licensees seeking approval to submit a modified AOR application, beyond these listed are advised to contact the ER Service Desk at ER.servicedesk@gov.sk.ca to discuss and obtain approval before submitting an AOR application.

5.1 Sites Located on Indian Oil and Gas Canada/First Nation Reserve Land

Indian Oil and Gas Canada (IOGC) is the regulatory agency that oversees the reclamation and surrender of surface and subsurface agreements on First Nation Reserve Land in Saskatchewan. However, the licensee will need to secure authorization from both ER and IOGC prior to abandoning the well or facility site.

Well and facility sites located on First Nation Reserve Land must be assessed according to the standards laid out by IOGC. Subsequently, the licensee must submit an application to IOGC to receive a Memorandum of Surrender (MOS). For more information on IOGC's reclamation,

surrender or remediation application processes visit the [IOGC website](#) or call (403) 292-5625 to speak with an Environmental Analyst.

After the MOS has been issued, the licensee is required to submit a copy of the IOGC application and MOS to ER. If the IOGC application cannot be supplied or does not meet ER's reclamation requirements then, regardless of whether the MOS was dated prior to June 19, 2007, ER will require a full AOR application meeting the requirements outlined in [section 4](#) with the MOS included as an attachment to the *Landowner Acknowledgement Form* ([section 4.4](#)).

5.2 Licensed Built not Drilled Well Site with Surface Disturbance

In situations where a licensee may have obtained a well licence and proceeded to prepare or construct the site and subsequently chose not to drill the well and cancel the licence, ER would require an AOR application submission to ensure the site was reclaimed back to surrounding conditions and there are no compaction, weed control, topsoil and/or other possible issues with the site. ER realizes the contamination issues with the site are likely non-existent. Therefore, the Phase I ESA component ([section 4.5.1](#)) may be excluded from the AOR application submission requirements ([section 4](#)).

Note: if the licensee plans on obtaining a new licence to drill a well on the prepared site the AOR application requirement of the cancelled well is not required. Instead, once the licensee has licensed and drilled a new well on the site they should apply to have the cancelled well exempted from reclamation because of the overlap activity (refer to [section 3.3](#) for more information).

5.3 Unlicensed Well or Facility Site With Surface Disturbance

There are infrequent instances where prior to receiving a well or facility licence a company may have obtained a surface lease, surveyed and even prepared or constructed a site and subsequently chose not to drill a well or build a facility. In these instances, reclamation liability has not been assessed to the site under the LLR Program. However, there has been ground disturbance and subsequently ER requires an AOR application submission to ensure the site is reclaimed back to surrounding conditions and there are no compaction, weed control, topsoil and/or other possible issues with the site. ER realizes the contamination issues with the site are likely non-existent. Therefore, the Phase I ESA component ([section 4.5.1](#)) may be excluded from the AOR application submission requirements ([section 4](#)).

5.4 Deemed Orphan Well and Facility Sites

When a well or facility site has been deemed an orphan under the Saskatchewan Oil and Gas Orphan Fund Procurement Program there is no longer a viable licensee to carry out the reclamation obligation and AOR application submission requirement. Therefore, ER will contract a third party consultant to prepare and submit an AOR application submission following the requirements of this Directive. Note: for deemed orphan well or facility sites the ER's Orphan Fund Procurement Manager is considered the licensee representative and their signature is required on the cover letter and other applicable AOR application components.

5.5 Partial Exemption from Reclamation Approved Well or Facility Sites

When a partial exemption from reclamation is approved by ER the reclamation liability associated with the licence remains unchanged at that time even though the responsibility of the exempted area has been transferred to another licence.

To remove the reclamation liability associated with the partially exempted site the licensee must reclaim the non-exempted area associated with their licence that received partial exemption. After which the licensee must submit an AOR application, in accordance with the requirements in [section 4](#), to ER which excludes the partially exempted area. If all requirements of the AOR application have been met, ER will grant AOR approval and remove the reclamation liability associated with the licence at that time.

6. Application for Reduction of Reclamation Liability on Designated Problem Sites

ER identifies licensed sites that require long term remediation, due to the presence of contamination, as designated problem sites in the applicable LLR Well List and LLR Facility List (available on www.saskatchewan.ca).

In the case of a long term site remediation project prior to completing the entire site remediation, the licensee may submit a request to ER to reduce the deemed reclamation liability based on remediation work that has already been completed at the site.

The request letter must include the following information:

- **Site information details**, such as:
 - Type of site (well, facility, pipeline, etc);
 - Licence #; and
 - Surface location of site.
- **Contact information** – licensee name and mailing address along with the licensee representatives name, phone number and email address (as ER may need to contact them to discuss the submission).
- **Intent of the application** – to request a reduction in reclamation liability along with the reduction amount being proposed.
- **Supporting documentation to justify the request**, at a minimum must include:
 - A summary, including a diagram, showing the extent of contamination both on and off-site (refer to section 6 of *Directive PNG033: Phase II Environmental Site Assessment*, available on www.saskatchewan.ca for further details on risk assessment).
 - A progress update of the site clean up to date;
 - An action plan, with proposed timeline, to address the remaining remediation issue(s) at the site;
 - An assessed cost estimate of the long term cost to fully remediate and reclaim the remaining issue(s) identified at the site to account for the uncertainty associated with future reclamation costs of the site should the property ever be sold; and
 - Details of any communication that occurred with the landowner during the remediation process.
- **Signature** – the licensee representative must sign and date the letter to validate the declaration statement.

Email the request letter as a single pdf attachment to Liability Management Branch at lmb@gov.sk.ca with subject line "Reduction in reclamation liability on a deemed problem site". If all requirements of the submission have been met, ER will review the request and issue a response to the licensee with the details on the reclamation liability adjustment and reason for the decision.

7. Application Submissions

7.1 Timing Requirements of AOR Submissions

Pursuant to section 56(1) and 56(2) of the OGCR, upon abandonment of a well or decommissioning of a facility, the respective site is required to be assessed, decommissioned and reclaimed and the licensee is required to submit a report (AOR application) which substantiates the satisfactory reclamation of the site.

Furthermore, the AOR application is to be submitted within six months of assessment and reclamation of the site has been completed as per section 56(5) of the OGCR. For clarity this should be understood as meaning the application is due within 6 months of the completion of a passing DSA as the definition of reclamation includes site restoration and re-vegetation.

7.2 How to Submit an Application

Once the application package has been compiled, in accordance with the requirements described in this directive, the application must be submitted through IRIS. A valid BA id with the appropriate permissions is required to submit applications through IRIS.

application forms and processes can change without notification and it is the applicant's responsibility to ensure submissions follow the current standards available on www.saskatchewan.ca. ER realizes AOR applications take several years to complete and will therefore accept submissions as long as each component represents the standard available at the time of their completion.

8. Application Review and Notification Process

application submissions are reviewed by ER for administrative and regulatory requirements. ER's decision will be communicated as a notification in IRIS to the Business Associate/applicant. If the application is incomplete, non-compliant with reclamation criteria, and/or contains inconsistent information the application will be rejected and details of the issues will be provided to allow for corrections before a resubmission is made.

In the event that the application meets ER's requirements and is approved, the applicant will receive an approval notification in IRIS. Alternatively, the approval notification will also be associated with the applicable well licence in IRIS to allow all users with a BA id access to the information.

When an application is authorized, the reclamation liability associated with the abandoned/cancelled well or decommissioned facility site under the LLR Program is zeroed; with the exception of a partial exemption from reclamation approval which will remain unchanged at

that time. Licensees that sign into the LLR (available on www.saskatchewan.ca) to review their inventory and liability reports will see the change reflected the next day.

The approval will be indicated in the applicable *LLR Well List* or *LLR Facility List* (available on www.saskatchewan.ca) after the 1st of the month:

- Grandfathered Reclamation Release column contains a 'Y' (Yes, Grandfathered approval);
- Acknowledgement of Reclamation column contains a 'Y' (Yes, AOR approval);
- Exemption from Reclamation column contains a 'F' (Full Exemption from Reclamation);
- Exemption from Reclamation column contains a 'P' (Partial Exemption from Reclamation).

8.1 Disclaimer

Pursuant to section 56(7) of the OGCR, the issuance of a Grandfathered or AOR Approval does not relieve a licensee, operator or working interest participant of past, present or future liability associated with a well or facility site.

If ER is notified of an issue at a site that received Grandfathered or AOR Approval, it will be investigated. If it is determined that the issue resulted from a former well or facility operation, ER will contact the licensee or working interest participant to address the issue in accordance with the OGCR. Depending on the severity of the issue, ER, in accordance with section 56(8) of the OGCR, reserves the right to cancel the approval and/or reinstate the reclamation liability if deemed necessary.

ER will require documentation to confirm the issue has been addressed, and confirmation that the landowner is satisfied with the actions taken by the licensee or working interest participant.

Pursuant to section 59 of the OGCR, ER may require the licensee or operator to remedy the issue within a specified period. If a licensee or operator does not comply, ER may carry out the necessary work, after which all costs and expenses incurred by ER 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.

Surface lease agreements between land owners and licensees are not regulated under the OGCA or the OGCR. They are completely separate from the AOR program and accordingly the AOR approval process has no bearing on the cessation or reduction of surface lease payments or the timing thereof. Furthermore, the OGCA and the OGCR provide no authority to stipulate crop loss or damages or the requirements to obtain a temporary workspace lease. For information on these matters please contact the Surface Rights Board of Arbitration.

9. Audits

Each year, ER selects Saskatchewan well and facility sites where the reclamation has been previously approved under the AOR Program for audits to determine if the abandonment and reclamation standards continue to be met.

ER will notify the landowner(s) that the site has been selected for surface or subsurface audit and reiterate that this is not an indication that the site has any issues. Rather, it is simply one of

a number of random audits, which are regularly carried out as part of ER's due diligence to ensure the AOR program is successful.

If issues are found during an audit, ER may notify the licensee or working interest participants of their responsibility to undertake further abandonment or reclamation work at the site. ER may advise that remediation is to be completed by a specified date.

It is the licensee's responsibility to obtain temporary access to the lease to remediate the issue(s) and ER will not force the licensee on the site if the landowner does not want the remediation unless the contamination is deemed to pose a threat or risk to human health, public safety, property or the environment.

9.1 Surface Audits

To ensure compliance with ER's legislation, ER will conduct surface audits of randomly selected Grandfathered Reclamation Released sites provided access to the site for the audit can be obtained from the landowner(s). surface audits will be conducted by ER staff and include a file review, landowner interview and site visit.

9.2 Subsurface Contamination Audits

To ensure compliance with ER's legislation, this Directive and Directive PNG018, ER will conduct yearly subsurface contamination audits of randomly selected AOR approved sites provided access to the site for the audit can be obtained from the landowner(s). The subsurface audits, advertised on [SaskTenders](#), will be conducted by third party consultants and include a full file review, site visit, electromagnetic survey and intrusive sampling (soil and possibly groundwater) and analysis.

9.3 Technical Review Audit

To confirm recommendations given in the Risk Based Site Closure and Administrative Controls AOR application are technically sound, selected sites will have an audit administered by ER conducted on documentation included in the AOR application. The Risk Based Site Closure and Administrative Controls audits, advertised on [SaskTenders](#), will be conducted by a third party consultant and include a full file review.