

Ministry of Energy and Resources

Temporary Regulatory Relief Measures

General Information

The Saskatchewan Ministry of Energy and Resources (ER) recognizes the challenges industry is facing during the COVID-19 pandemic and the recent decline in oil prices, and is mindful of its impact on employees and operations. As a result, ER is implementing a temporary policy to provide enforcement discretion for oil and gas regulations on all oil and gas wells, facilities and pipelines regulated by the ER.

Relief measures identified within this document do not extend to compliance issues posing significant and immediate health and safety risks to people and the environment. These risks need to continue to be addressed immediately in a manner that assures compliance with regulatory requirements.

This policy addresses obligations related to:

- [The Oil and Gas Conservation Act](#);
- [The Oil and Gas Conservation Regulations, 2012](#);
- [The Oil and Gas Emissions Management Regulations](#);
- [The Pipelines Act, 1998](#);
- [The Pipelines Administration and Licensing Regulations](#); and
- all related [Directives](#).

This document is a temporary policy and does not alter any current oil and gas wells, facilities and pipelines legislation, regulation or directive.

Timelines

This policy will apply retroactively, beginning on March 1, 2020, for all oil and gas wells, facilities and pipelines currently regulated by ER under the above-noted legislation and regulations. ER will assess the need for the temporary policy on a regular basis and reserves the right to update the policy as warranted.

ER will post applicable updates and notifications via Bulletins to the Government of Saskatchewan's website at: <https://www.saskatchewan.ca/business/agriculture-natural-resources-and-industry/oil-and-gas/oil-and-gas-news-and-bulletins>.

ER is currently working to update its systems to reflect these relief measures and it is expected that these changes may not be complete for 1-2 weeks. If you have a question or concern about a specific relief measure in relation to your business, please contact the ER Service Desk at 1-855-219-9373 or ER.servicedesk@gov.sk.ca.

Temporary Regulatory Relief Measures

Due to current circumstances, ER will be instituting the following measures listed below. Where possible, oil and gas well, facility and pipeline operators should attempt to meet their regulatory obligations during this period. Notwithstanding the following relief measures, licensees and operators will need to continue to assess and attend to identified risks to health and safety of individuals and protection of the environment.

➤ **Directive PNG017: Measurement Requirements for Oil and Gas Operations Implementation**

- Full compliance implementation date for PNG017 will be extended until April 1, 2021.
- Operators will be allowed to implement measurement by difference without the need for application until April 1, 2021.

➤ **Directive PNG076: Enhanced Production Audit Program**

- Full compliance implementation date for PNG076 will be extended until April 1, 2021.

➤ **Reporting**

- All penalties associated with reporting non-compliance as outlined in Table 1 below will be suspended, with the exception of obligations pertaining to Drilling Start Date and Finished Drilling Date. This suspension is effective from March 1, 2020 until further notice.
 - During the penalty suspension (i.e. relief) period, it is expected that industry will continue to make reasonable attempts to meet its reporting obligations.
 - Once the relief period has ended, industry will be granted an additional two-month grace period from penalties to provide the opportunity to become compliant with any outstanding reporting obligations. Following the two-month grace period any outstanding obligations will be invoiced at the specified rate back to the original obligation due date.

Table 1

Obligation Category	Action
Well Data Reporting as per <i>Directive PNG013: Well Data Submission Requirements</i>	Indefinite suspension of late reporting penalties, except <i>Drilling Start Date</i> and <i>Finish Drilling Date</i> reporting requirements.
Incident Reporting Requirements as per <i>Directive PNG014: Incident Reporting Requirements</i>	Indefinite suspension of late reporting penalties.
Volumetric and Valuation Reporting as per <i>Directive PNG032: Volumetric, Valuation and Infrastructure Reporting in Petrinex</i>	Indefinite suspension of late reporting penalties.
Enhanced Production Audit Program Reporting as per <i>Directive PNG076: Enhanced Production Audit Program (EPAP)</i>	Indefinite suspension of late reporting penalties.
Supporting documentation for audits pertaining to Directives PNG017, PNG032 or PNG076	Indefinite suspension of late reporting penalties.

➤ **Test/Measurement Requirements**

- Leak Detection and Repair surveys qualify for an exemption under *Directive PNG036: Venting and Flaring Requirements* where carrying out the survey poses a risk to human health or safety. The current Covid-19 restrictions mean that well and facility operators are exempt from conducting these surveys at this time.
- Well and facility equipment installations and other field work required to reduce emissions in accordance with *The Oil and Gas Emissions Management Regulations* and *Directive PNG036*, which poses a risk to human health and safety due to the current Covid-19 restrictions, should be documented and disclosed. ER will work with individual companies on alternate Emissions Reduction Plans until restrictions are lifted.
- Annulus tests can be deferred on low and medium risk wells. However, high risk wells with known integrity issues and those flagged as having insufficient surface casing and cementing for base of groundwater protection will not be exempted. Wells with high injection pressures will be risk assessed and prioritized accordingly. Contact the local ER Field office to determine what might be required in cases where there is uncertainty.

➤ **Well, Facility and Pipeline Inspections and Audits**

- Deferral of all low risk regulatory inspections that are not incident-related to minimize risk to all non-essential operations staff.
- Deferral of field regulatory monitoring programs and their associated reporting requirements, where there is no imminent risk of impact to an environmental receptor.

- Extension on deadlines will be granted on most new and outstanding inspection items pending an assessment of the risk an outstanding item may pose. Items posing significant and immediate health and safety risks to people and the environment will need to continue to be addressed immediately. (e.g. H2S gas odors, incidents and spills as per Directive PNG014, violation of setbacks (OGCR s.25), failure to install Vapor Recovery Unit or improperly functioning VRU)
 - Audits of the safety loss management programs and integrity management programs of pipeline operators are being deferred until the COVID-19 restrictions are removed.
- **Licensee Liability Rating Program (LLR)**
- Invoices for LLR security will continue to be issued during this period, however, enforcement of outstanding payments will be deferred at this time. Licensees will need to account for these amounts owing upon lifting of the relief measures.
- **Other measures**
- All authorizations that currently expire after 1 year (and are not yet expired) and any new authorizations granted prior to December 31, 2020 will automatically be extended to December 31, 2021.
 - Annual project reporting requirements for 2019 will automatically be extended. Information may be requested to address an immediate concern. In both cases, ER will work with the project management to determine an appropriate submission deadline.
 - Timeline requirements for the reclamation of newly drilled leases will automatically be extended while relief measures are in place.
 - Non-critical remediation/reclamation, where there is no imminent risk to environmental receptors, and abandonment work and associated reporting deadlines for problem sites will be automatically extended.

Key Links

COVID-19 Personal Protective Equipment Information

- For employers: https://www.saskatchewan.ca/-/media/files/coronavirus/info-for-health-care-providers/ppe/covid19-appropriate-use-ppe_employers.pdf
- General Public: https://www.saskatchewan.ca/-/media/files/coronavirus/info-for-health-care-providers/ppe/covid19-appropriate-use-ppe_public.pdf

If you have any questions regarding the information contained within this Bulletin, please contact the ER Service Desk at 1-855-219-9373 or ER.servicedesk@gov.sk.ca.