

Industry Tip

Financial Security and Site Closure – Training Presentation FAQ

Date	Module/Application/Functionality	Notes
March 7, 2023	Liability Management/Corporate Financial Information/Inactive Liability Reduction Program Licence Transfer	Frequently Asked Questions (FAQ)

The purpose of this FAQ is to assist users to find answers to their questions about functionality and applications implemented in IRIS on February 22, 2023.

Links to the content presented at the earlier industry training session and other related information are included after the Q & A content in this document.

Financial Security and Site Closure Regulations - Training Q & A

Question	Answer
If a deposit is required for a licence transfer, what is the next step? Will the application be put on hold? Can you show an example of when a security deposit is required?	The Licence Transfer process has not changed. The next steps of the process can be found at the following website: https://www.saskatchewan.ca/business/agriculture-natural-resources-and-industry/oil-and-gas/oil-and-gas-licensing-operations-and-requirements/transferring-well-and-facility-licences

Question	Answer
<p>For the 2018-2021 Financial info that was requested early in 2023, will we be uploading this to IRIS or emailing it?</p>	<p>The 2018-2021 financial data should be submitted through IRIS using the Corporate Financial Data Submission spreadsheet. Templates and guidance for submission can be found at the following website: https://www.saskatchewan.ca/business/agriculture-natural-resources-and-industry/oil-and-gas/liability-management/corporate-financial-information.</p>
<p>Can you carry forward closure spend amounts if you spend more than your target in any given year?</p>	<p>As per section 5-5(1) of <i>The Financial Security and Site Closure Regulations</i> (FSSCR),</p> <p><i>“If a licensee’s actual expenditures in a calendar year exceed its ART, the surplus may be used to satisfy the ART for subsequent years.”</i></p>
<p>There’s a bunch of categories for the expenditure report template, including things like surface case vent flow, vegetation monitoring, and others. This is a level of detail that we don’t maintain, and I have no idea why we would need to report this level of detail. What is this data used for?</p>	<p>This data will be used to further refine the abandonment and reclamation liability amounts in the future.</p>
<p>Companies with a calendar year end are not required to file tax returns until the end of June the following year and thus many private companies would not have financials until after March 31st.</p>	<p>The annual financial submission deadline is June 30th. This year is an exception as it is the first year where the Ministry is requesting financial data. The deadline for submission of the historical financial data from 2018-2021 is due March 31st. This is a one-time request. The Ministry will be using this data to build a corporate health evaluation to align with other jurisdictions.</p>
<p>If we decommission batteries in 2023, and my inactive liability decreases, what number is my enforcement calculated on? The initial number? Or the latest number?</p>	<p>In respect to the Inactive Liability Reduction Program (ILRP), compliance is met when expenditures are reported to meet the Annual Reduction Target (ART). Enforcement would be calculated on the amount of expenditures in relation to the ART.</p>

Question	Answer
<p>If we have a spill, can we put that spend under this program, perhaps under the remediation category?</p>	<p>Clean up of a new spill is not a qualifying expenditure in the ILRP program. Clean up of an old spill on unassessed or assessed problem sites regardless of whether the associated well, facility or flowline is inactive would be considered a qualifying expenditure in the ILRP program</p>
<p>Where can we find the 2023 ART?</p>	<p>The ART will be available on the Inactive Liability Reduction Tab. You can reach this tab by clicking Quick Search > My Business Associate. On the right side, click LLR Details. This should take you to the main tab for LLR 'Main' tab. Next to that tab is the 'Inactive Liability Reduction' tab.</p>

Disclaimer:

The contents of the documents linked below do not, in whole or in part, constitute any interpretation of *The Oil and Gas Conservation Regulations, 2012*, *The Financial Security and Site Closure Regulations*, or related Directives issued by the Ministry of Energy and Resources. The Ministry of Energy and Resources reserves the right to clarify content in these documents as necessary.

Industry Training Session presentations

[**Financial Security and Site Closure Regulations in IRIS – Industry Presentation**](#)

Additional Information

- **IRIS User Learning Centre modules**
 - [**Inactive Liability Reduction Program \(ILRP\)**](#)
 - [**Corporate Financial Information Reporting – LLR**](#): a lesson within the updated [**Liability Management**](#) training module
 - [**Licence Transfer**](#): updated for new processes implemented with FSSCR in IRIS
- **Related websites**
 - [**Inactive Liability Reduction Program**](#)
 - [**Corporate Financial Information**](#)

Questions ?

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