

The Oil and Gas Regulatory Cost Recovery Levy

2023-24 Annual Report

Ministry of Energy and Resources

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Purpose of the Annual Report

The *Oil and Gas Regulatory Cost Recovery Levy Annual Report* delivers on the Government of Saskatchewan's commitment to provide transparency on the accounting for expenditures related to The Oil and Gas Regulatory Cost Recovery Levy, otherwise known as the "Administrative Levy." This year's report details the regulatory priorities over the past year and associated performance measures of the Saskatchewan Ministry of Energy and Resources (ER), the Ministry of Environment (ENV), and the Ministry of Agriculture (AG). A full accounting of regulatory expenditures is provided at the end of the report.

The Administrative Levy ensures that Saskatchewan's regulatory system can meet public expectations for regulatory oversight of the oil and gas industry. The Administrative Levy also enables activities that help to keep pace with the needs of industry in support of access to data and the submission of various types of applications and information reporting requirements. The Administrative Levy recovers 90 per cent of the costs for the oil and gas regulatory activities of the ministries of ER, ENV and AG. Those regulatory activities include:

- Licensing of wells, facilities and pipelines.
- Review of seismic plans and permitting.
- Inspection of well sites, pipelines and related facilities.
- Reporting of oil and gas production.
- Responsible resource development.
- Emissions management.
- Abandonment of wells and facilities.
- Environmental reviews of proposed wells and facilities.
- Review and approval of Crown surface lease applications.
- Arbitration of disputes relating to surface rights acquisition and compensation.
- Provide service desk support for industry on direct inquiries and support the usage of the Integrated Resource Information System (IRIS).
- Develop training materials for industry use to outline proposed regulatory changes and provide support for the usage of functionality improvements in IRIS and other submission requirements.

Information regarding past year's Administrative Levy reports can be found at:

<https://www.saskatchewan.ca/business/agriculture-natural-resources-and-industry/oil-and-gas/oil-and-gas-reporting-and-compliance/well-levy>.

Special Note for 2023-24

In 2023-24 the Government of Saskatchewan held the industry invoice for the Administrative Levy at \$23.8 million (M), which represents 85.14 per cent of the regulatory budget for fiscal year (\$27.951M). Typically, industry is invoiced 90 per cent of the budgeted regulatory expenses. In 2023-24 ER held the levy in line with the previous year as we continued to review the formula for levy calculations to ensure it continues to accurately capture regulatory costs.

Regulatory Overview

ER develops, coordinates and implements policies and programs to promote the growth and responsible development of the province's natural resource industries. The Energy Regulation Division (ERD) of ER operates as the primary regulatory authority for activities licensed under *The Oil and Gas Conservation Act* (OGCA) in support of the mission to advance responsible resource development. Key strategies in ER's annual plan that align with these regulatory functions include:

- Applying a results-based approach to the development and delivery of regulatory programs;
- Pursuing initiatives that contribute to sustained public confidence in industry regulations, strengthened client service and the delivery of efficient and effective regulatory programs;
- Continuously improving operational performance, service delivery and financial management; and,
- Improving client service delivery through innovative solutions.

Key strategies in ENV's annual plan that align with these regulatory functions include:

- Collaboratively designing and implementing regulatory tools and processes to enhance environmental outcomes; and,
- Continuing to review and develop guidance on ENV's regulatory and permitting framework to support new and existing partners in developing within the province.

Regulatory Highlights and Accomplishments for 2023-24

- Reduced regulatory overlap, removed barriers to compliance and supported maintaining jurisdiction over emissions by providing a pathway for the development of a new equivalency agreement (Amended *The Oil and Gas Emissions Management Regulations and Directive PNG036: Venting and Flaring Requirements*).
- Clarified the application of logging and reporting requirements to certain disposal and injection wells and established freehold mineral owner consent requirements for disposal wells in CO₂ injection projects (Amended *Directive PNG008: Disposal and Injection Requirements*).
- Provided details on gas oil ratio determination and supported enhanced emissions reporting (Updated *Guideline PNG034: Determination and Submission of Gas Oil Ratios*).
- Promoted clarity and consistency with other regulatory requirements regarding well data submission and codified long-standing policies relating to the submission of drill cuttings samples and thin sections of core (Updated *Directive PNG013: Well Data Submission Requirements*).
- Revised Enhanced Production Audit Program (EPAP) declaration information to provide clarification on industry compliance comparison issues (Updated *Directive PNG076: EPAP*).
- Added new well completion types for CO₂ Injection and Acid Gas Disposal that allow for clarity of application, alignment with regulatory requirements and current liability determinations and improved reporting.
- Concluded the Retroactive Flowline Licensing 5-year project. This consisted of 1,237 retroactively issued pipeline licenses and 84,215 retroactively issued flowline licences, representing over 73,000 kilometres of piping.
- Provided regulatory support to industry through the Service Desk, which handled 17,147 phone calls and emails. Cases that exceeded the prescribed target response times saw a 6 per cent reduction, owing to increased focus and process improvements.
- Completed the third year of a five-year program to inspect sites that had not been inspected in 5+years. The sites selected in this inspection program leveraged risk analysis that focused on site proximity to water bodies, residents, reserve lands and parks as well as looking at volumetrics, infrastructure age and other factors. To date, a total of 16,658 inspections have been conducted through this program.
- Developed thirteen online training modules to support industry on regulatory initiatives.
- Continued developments and functionality enhancements to IRIS and Petrinex during the year to support regulatory functions. A total of 116 IRIS and 65 Petrinex change requests were implemented, resulting in 794 completed hours of user acceptance testing.
- Purchased a LiDAR scanner with a RGB camera and two methane laser sensors and associated drones to assist in field monitoring and regulatory operations.
- Continued to prioritize the timely and accurate submission of well, valuation and volumetric data. Over the course of the year, 588 comprehensive well data audits were performed as well as 1,358 partial audits. An additional 230 facilities were audited to assess data submission accuracy.
- Implemented legislative and regulatory changes to help landowners recover delinquent surface lease rentals as well as to raise damage awards by the Surface Rights Board and to add lithium and helium to the list of mineral commodities for which the Board may adjudicate access.

What we do

Inspection and Compliance Verification, Enforcement and Emergency Management

The Energy Regulation Division (ERD) helps to ensure the safe, environmentally sound operation of wells, facilities and pipelines through various monitoring and inspection work and development and management associated with regulatory requirements. ERD sets regulatory requirements related to the life cycle of oil and gas infrastructure. Staff conduct onsite inspections and routinely review submitted information to ensure that licensees comply with regulatory rules. They also work with licensees to identify solutions to emergent issues. Field staff provide on-the-ground support to landowners and operators related to the development, operation and abandonment of wells and facilities. If necessary, staff exercise the authority to suspend operations until issues are addressed.

Using data acquired from IRIS, ER staff completed a total of 20,049 inspections in 2023-24.

Inspections Completed by Type	Totals
Facility Inspection	242
Licensed Pipelines	179
Other (Rigs, well measurement)	404
Well Inspection	19,224
Total	20,049

ERD has completed the third year of a five-year program to inspect sites that had not been inspected in 5+ years as of 2021. The sites selected within the current inspection program leveraged risk analysis that focused on site proximity to water bodies, residents, reserve lands and parks as well as looking at volumetrics (type and quantity of fluids), infrastructure age and other factors. To date, a total of 16,658 inspections have been conducted within this program. Results of this program and other inspection data will be used to inform future inspection program planning.

Reportable Incidents by Infrastructure Type		
Source	2023-24	
	Number	Per cent
Wells	144	32.51
Facilities	107	24.15
Pipelines	15	3.39
Licensed Flowline	148	33.41
Other	29	6.55
Total	443	

ER also completed Safety Loss Management Systems (SLMS) Audits on five companies and continues to work with licensees on any noted deficiencies.

Emissions Management

ER remained responsible for regulations that oversee the reduction of upstream oil and gas emissions. *The Oil and Gas Emission Management Regulations* (OGEMR) have successfully supported significant emissions reductions since first implemented in 2019. The OGEMR Annual Emissions Report for 2023 was published in June 2024 and is available at: <https://publications.saskatchewan.ca/#/categories/5607>. In Saskatchewan, greenhouse gas emissions from vented and flared gas at upstream oil facilities totaled 3.6 million tonnes (Mt) of carbon dioxide equivalent (CO₂e) in 2023, representing a 67 per cent reduction from 2015 levels (equivalent to taking more than 1.5 million cars off Saskatchewan roads). Emissions from venting activities alone were 2.2 Mt CO₂e, representing a 75 per cent reduction from 2015 levels. OGEMR regulated 37 companies in 2023 accounting for 95 per cent of vented emissions in the province.

Various types of applications support the ongoing program operation for emissions management. The following related applications were administered by ER during the year.

Application Type	2023-24 Totals	Turnaround times (Days)
Emissions Adjustment Application	4	37
Emissions Reduction Plan Application	14	42
Qualifying Conservation Project Application	4	32
Venting/Flaring Application	30	27

ER continues to strive for equivalency with the Government of Canada on methane regulations. To support this, projects have been launched to conduct emissions research and provide data analytics specific to Saskatchewan ensuring that regulatory decisions are based on local data and industry insights. Notably, in 2023 ER contracted with a data analytics company to provide Saskatchewan with a more detailed insight into future ECCC emissions modeling practices and to support arguments to use Saskatchewan's actual performance in modeling future equivalency agreements.

ER has also increased its focus on subsurface storage, especially carbon capture and storage, in response to the growing interest in carbon sequestration and energy storage.

Reservoir Management

The prevention of waste and the equitable production of oil and gas and associated minerals remain a key focus of regulatory activities. Updates were made to *Directive PNG012: Allowable Rate of Production-Oil Wells* to promote clarity and consistency with other directives regarding the allowable rates and off-target wells and to promote alignment with enhanced IRIS functionality introduced in August 2023 (see [Information Technology Development](#)). These directive updates were approved and came into force in June 2024.

New annual reporting requirements for enhanced recovery projects were also implemented. The new process uses a proactive risk-based approach to identify deficiencies in projects and requests information specific to those deficiencies as needed from the project operator. It reduces the administrative burdens for the oil and gas industry in meeting unnecessary regulatory requirements and

improves the efficiency for ER in administering the required annual reports. It has also helped to identify projects that were required to be terminated, helping to clean up project-related data in IRIS.

The 2022 Provincial Oil and Gas Reserve Reports were also published, which can be found at <https://publications.saskatchewan.ca/#/categories/1223>. A new process was utilized to complete the oil and gas reserves evaluation, which improved efficiency and reduced the time to complete the reports while allowing ER staff to perform a more in-depth review of selected high-activity pools.

Liability Management, Closure and Orphan Programming

The primary objective of Liability Management programming is to safeguard taxpayers and landowners from any long-term liabilities associated with well and facility development. This involves creating policies and programs to ensure the timely abandonment and reclamation of wells and facilities as well as managing the associated liabilities.

ER has observed a significant increase in well abandonments following the introduction of the Inactive Liability Reduction Program (ILRP) in January 2023, which coincided with the conclusion of the Accelerated Site Closure Program in March 2023. In its inaugural year, the ILRP set an industry target of approximately \$100M for closure expenditures or 5 per cent of the provincial inactive liability. This target was not only met but significantly exceeded, with reported expenditures reaching approximately \$240M or 11.5 per cent (reported on a calendar year basis). During the 2023-24 fiscal year, 2,075 licensed wells were successfully cut and capped.

Additionally, 843 Acknowledgement of Reclamation (AOR) approvals were issued for 2023-24, which is a notable increase from the 616 approvals the previous year. These approvals show that sites have been restored to conditions closely resembling those prior to well or facility operations.

ER also oversees the identification of orphaned upstream oil and gas well and facility sites through the Saskatchewan Oil and Gas Orphan Fund (SOGOF) Program. This program is tasked with the care, custody and ultimate abandonment of orphaned sites. In the past year, SOGOF managed the abandonment of 83 wells, conducted 248 environmental site assessments, completed 271 reclamation projects (surface restoration) and processed 77 AOR applications as part of the final site closure process. The 2023-2024 SOGOF Annual Report can be found at <https://publications.saskatchewan.ca/#/products/124334>.

Licensing

Approval of licences in a timely manner remains a key focus of ER. Licence applications that meet certain criteria may be classified as routine, in which case a licence is automatically issued. A non-routine licence application requires further review prior to a licence being issued. Routine licences are subject to post-issuance audits to ensure that information provided at the time of application was correct. ER monitors results from the review of licence applications to ensure compliance with regulatory requirements and to identify any trends with specific licensees or the overall licence process that require attention.

Licence Application Type	2023-24 Totals	Turnaround times (Days)
Application for Well Licence – Routine	760	0
Application for Well Licence – Non-Routine	910	9.0
Licence Transfer Application	139	10.0
Application for Facility Licence – Routine	53	0
Application for Facility Licence – Non-Routine	118	11.5
Application for Pipeline Licence – Routine	552	0
Application for Pipeline Licence – Non-Routine	31	3.2

ER, in conjunction with industry, has worked to reduce the number of ministry-initiated well licence cancellations and to improve flexibility in the administration of well licence applications. Over the past five years, well licence cancellations have fallen from 7.4 per cent in 2019-20 to 1.69 per cent in 2023-24.

Of note:

- Well licence applications: 54.5 per cent non-routine and 45.5 per cent routine.
- Facility licence applications:
 - Overall: 69 per cent non-routine and 31 per cent routine.
 - New – 62.4 per cent non-routine and 37.6 per cent routine.
 - Amendment – 83.3 per cent non-routine and 16.7 per cent routine.
- Pipeline Licence Application: 5 per cent non-routine, 94.7 per cent routine

In addition, 72 seismic exploration program applications were processed during the year.

Data Verification

Timely and accurate submission of well, valuation and volumetric data remains a priority. Annually, several validation reviews are conducted on various data submissions to ensure and enhance data accuracy. Over the course of the year, 588 comprehensive well data audits were performed as well as 1,358 partial audits. An additional 230 facilities were audited to assess data submission accuracy.

Information Management continues to assist industry with IRIS and Petrinex-related issues. For the year, 2,519 Service Now cases were processed. ER plans to hold industry information sessions in the coming year to assist with frequently encountered submission challenges to reduce the need for industry to access support.

Industry Information Sessions

In addition to current practices for consultation on regulatory changes, ER launched the ERD Industry Information Session initiative in January 2024. These information sessions are intended to provide information to industry on a variety of subjects of interest including updates on ongoing or upcoming initiatives and sharing of information related to regulatory priorities. The January 24, 2024, session focused on:

- ERD’s approach to the rules governing the operation of enclosed combustors;
- Industry incident response expectations and efforts underway to update incident management practices;
- General update on ERD’s approach to address federal and provincial methane emission reduction objectives;
- Update on the status of retroactive flowline licensing;
- Surface rights update;
- Liability management update; and,
- General questions and answers.

ER intends to hold a minimum of three sessions throughout the year in the winter (January/February) spring (May/June) and fall time periods. These sessions are in addition to any specific training and engagement sessions that are offered.

Information Technology Development

Various improvements were made to IRIS during the year to meet the needs of industry and support regulatory requirements. Those projects included:

- The Maximum Permissible Rate (MPR) (August 30, 2023). This introduced functionality to IRIS to authorize routine and non-routine MPR applications, thereby automating the approval process. The change replaced the previous MPR applications in IRIS, allowing industry to directly enter reservoir parameters into IRIS. The functionality also allows ER users the ability to audit the application through a review item. These values are maintained for future reference and data collection purposes and provide valuable reservoir data to assist in future reviews/evaluations.
- Pipeline Construction Completion Report changes (February 7, 2024). Changes allow ER to withdraw Pipeline and Flowline Construction Completion Reports when reported in error. Construction Completion Reports for these licences and authorizations can be submitted again if appropriate, or the authorizations canceled if necessary.
- Fluid Analysis Data Management (March 13, 2024). Functionality was added into IRIS and has expanded the parameters of fluid analysis data collected in the interest of providing more complete and accurate information regarding analysis results. Additional functionality will allow industry to submit and consume fluid analysis data in bulk format within IRIS.
- New Well Completion Types (March 27, 2024). The addition of new well completion types for carbon dioxide storage and acid gas injection allows for ease of application, alignment with regulatory requirements and current liability determinations, and improved reporting.

Overall, 100 bug fixes and enhancements were completed within IRIS last year. Fifteen critical fixes were also completed. Critical fixes are completed within 48 hours of being raised.

Surface Rights

ER provides policy and operational support to the Surface Rights Board of Arbitration (SRBA), which is a quasi-judicial tribunal used as a last resort when a landowner and a mineral rights holder are unable to reach an agreement on the terms of surface access to private land and/or the compensation payable for surface access.

The SRBA conducts hearings for matters such as:

- The rights required by the operator to enter on the surface of the land to establish wells and to access roads, power lines, battery sites and flowlines;
- Landowner compensation for surface access;
- Off-lease damage claims; and/or,
- Rental reviews.

Almost all the SRBA's hearings relate to infrastructure relating to oil and gas production, though the SRBA also has jurisdiction to hear cases involving well sites for potash production. In 2023-24 the SRBA held four hearings, issued seven right-of-entry and four compensation orders and received 36 applications for rental review.

On January 1, 2024, amendments to *The Surface Rights Acquisition and Compensation Act* (SRACA) and a new version of *The Surface Rights Acquisition and Compensation Regulations* (SRACR) came into force. These changes featured new power for the SRBA to hear cases and issue orders on operators for the payment of delinquent surface rights compensation owed to landowners. This is paired with an amendment to the OGCA for operators to comply with SRBA orders for compensation, and if those orders are not complied with, ER could suspend a licensee's ability to operate. Since January 1, 2024, the SRBA has issued seven Recovery of Compensation Orders.

Other notable legislative and regulatory changes that took effect on January 1, 2024, include:

- Scope for the maximum amount for an order for off-lease damage compensation to be set in regulations, instead of in the parent legislation. Amount has been increased in the SRACR to \$30,000 from the previous \$1,000 amount in the SRACA; and,
- Changes to the SRACR to allow the SRBA to adjudicate surface access and compensation relating to lithium and helium in addition to oil, gas and potash.

More information on the SRBA, its activities and an archive of SRBA Orders can be found at <https://www.saskatchewan.ca/government/government-structure/boards-commissions-and-agencies/surface-rights-board-of-arbitration>.

Ministry of Agriculture

In 2023-24 land management specialist work included site inspections and review of new projects, remediation and reclamation proposals (including surface leases, easements, temporary workspaces, seed mixes, etc.) and Acknowledgement of Reclamation applications.

Some key initiatives underway involving AG include:

- Review of seismic program applications and licensing: AG reviewed numerous seismic

applications. AG continues to participate in the provincial government seismic working group to review current seismic regulations, and align seismic policies across AG, ER, ENV and the Saskatchewan Water Security Agency.

- Inspection of well sites, pipelines and related facilities and abandonment of wells and facilities:
 - AG inspected numerous well sites, pipelines and related facilities, and processed 130 surrenders.
 - AG is undertaking an internal review of restoration requirements on agricultural Crown land. It anticipates the review will outline internal roles and responsibilities for AG staff, identify gaps in staff training, streamline the review process for restoration projects and align the process with other regulatory requirements.
 - As required under section 63 of the federal *Species at Risk Act*, AG collaborates with ENV and ER to report on the number of surface leases reclaimed within federally designated critical habitat for species at risk and the greater sage-grouse emergency protection order. This reporting includes surface leases reclaimed on both privately-owned and public (Crown) lands. In 2023-24 there was ongoing targeted reclamation in Saskatchewan for 12 gas wells and 49 stratigraphic test wells in critical habitat areas, in collaboration with industry; the stratigraphic wells were in boreal woodland caribou critical habitat, whereas the gas wells were in critical habitat for chestnut-collared longspur, Sprague's Pipit, greater sage-grouse *urophasianus* subspecies and swift fox.
- AG reviewed numerous applications for proposed wells and facilities and hired an additional land management specialist team lead to develop internal training and processes for oil and gas applications. The team lead work is anticipated to identify gaps in AG staff training, expand staff development and align and streamline the review process.
- AG reviewed 57 new Crown surface lease applications, amended 48 existing dispositions and renewed 403 existing dispositions.

Ministry of Environment

As part of its regulatory oversight of the oil and gas sector, ENV reviews project proposals and conducts site inspections before, during and after construction. In the 2022-23 fiscal year, ENV processed 2,055 oil and gas project proposals, including 1,112 non-routine applications. During 2023-24 ENV processed 1,771 proposals, with 927 classified as non-routine. Approximately 10 per cent to 20 per cent of these projects involved site inspections, depending on environmental sensitivities.

Pre-siting inspections, conducted in collaboration with companies before well license applications are submitted through IRIS, are part of this process. Non-routine projects often require additional review time or supplemental information due to factors like environmentally sensitive lands, proximity to endangered species, and Crown-administered lands.

For large project planning areas, especially on environmentally sensitive lands, pre-site visits are essential to outline project requirements and identify potential issues or mitigations early. ENV Ecological Management Specialists work closely with industry partners to understand their needs,

typically meeting annually or semi-annually. These meetings facilitate forward planning, allowing ENV to anticipate workflow requirements and outline or confirm project-specific needs.

Administrative Levy Calculation – 2023-24

ER assesses an annual Administrative Levy against all licensees of wells and pipelines in accordance with provisions outlined in *The Oil and Gas Conservation Regulations, 2012*.

The amount of the annual invoice is tied to the number of wells in the various well classes—these are based on the volume of oil and gas produced from the well—and the length in kilometres for various classes of pipelines in operation in the previous calendar year. The Administrative Levy calculated and invoiced for the 2023-24 fiscal period was based on the performance of wells and the length of pipelines operating during the 2022 calendar year.

An annual adjustment factor established by an Order-in-Council adjusts each year's payment to account for changes in the revenue requirements of the Government of Saskatchewan for the cost recovery of regulatory services. Administrative Levy invoices are typically issued in the second fiscal quarter of the fiscal year after approval of the provincial budget.

Each well and pipeline is charged a base fee multiplied by an adjustment factor. The adjustment factor is set annually to ensure that 90 per cent of forecast regulatory expenses are recovered. The provincial budget for regulatory services affects the Administrative Levy rates, as do changes in the number of wells, volume of production and pipeline lengths.

The following table summarizes the calculation of the base Administrative Levy revenues for each of the well levy classes and pipeline classes as well as the calculation of the adjustment factor that is applied to the base amounts for invoicing purposes for the 2023-24 fiscal period. As previously noted, these are based on the performance of wells and the length of pipelines operating during the 2022 calendar year.

Annual Adjustment Factor Calculation, 2023-2024 (Base Year 2022)

Annual Adjustment Factor Calculation, 2023-2024 (Base Year 2022)					
Class	Production (cubic metres / year)	Base Rate by Class	Number of Well Licences	Base	
1	Service Wells	\$100	5,948	\$594,800	
2	0.1 to 300.0	\$100	26,350	\$2,635,000	
3	300.1 to 600.0	\$125	7,172	\$896,500	
4	600.1 to 1,200.0	\$312	5,174	\$1,614,288	
5	1,200.1 to 2,000	\$750	2,340	\$1,755,000	
6	2,000.1 to 4,000.0	\$1,250	1,673	\$2,091,250	
7	4,000.1 to 6,000.0	\$1,625	376	\$611,000	
8	6,000.1 and above	\$1,875	496	\$930,000	
9	Wells other than abandoned	\$25	32,803	\$820,075	
TOTAL			82,332	\$11,947,913	A

Pipeline Class	Status of Pipeline Segment	Base Rate by Class per kilometre:	Length (kms)	Base Revenues	
1	Flowlines	N/A	N/A	N/A	
2	Operating	\$40	22,509.64	\$900,385.76	
3	Discontinued	\$20	1,955.26	\$39,105.14	
TOTAL			24,464.9	\$939,490.90	B
TOTAL BASE AMOUNT (C=A+B)				\$12,887,404	C
2023-24 Regulatory Budget:				\$27,951,000	
			Industry Share (85.1%):	\$23,800,000	D *
Annual Adjustment Factor (E=D÷C):				1.846764	E

*In 2023-24 the Government of Saskatchewan held the industry invoice at \$23.8M, which represents 85.14 per cent of the regulatory budget. Typically, industry is invoiced 90 per cent of the budgeted regulatory expenses.

Financial Reporting

Administrative Levy Revenue and Regulatory Costs

ADMINISTRATIVE LEVY REVENUE AND REGULATORY COSTS (\$000s)	2023-24 Budget	2023-24 Actual
TOTAL ADMINISTRATIVE LEVY INVOICED		23,804
LESS: REGULATORY COSTS INCURRED (90%)		23,861
VARIANCE		(57)
2023-24 VARIANCE		(57)
2022-23 VARIANCE		94
2021-22 VARIANCE		2,340
CUMULATIVE VARIANCE CARRY FORWARD		2,377
COST DETAIL		
1 Energy Regulation Division Executive	633	526
2 Field Services	5,293	4,947
3 Liability Management	1,703	1,804
4 Resource Management	2,062	1,839
5 Information Management	2,086	1,999
6 Regulatory Affairs	837	693
7 Surface Rights Arbitration Board	229	166
8 Orphan Well Fund	40	0
9 Central Learning Fund	0	91
10 Information Technology and Database Costs	7,181	6,857
11 Central Overhead and Costs	6,269	5,913
TOTAL MINISTRY OF ENERGY AND RESOURCES	26,333	24,835
OTHER MINISTRIES		
12 Agriculture	617	631
13 Environment	1,001	1,046
TOTAL COSTS: ALL MINISTRIES	27,951	26,512
ADMINISTRATIVE LEVY (85.14%)	23,804	23,861

Ref #	Description
1	Energy Regulation Division Executive Executive leadership of the Energy Regulation Division and administrative support functions.
2	Field Services Branch is responsible for regulatory and policy development, monitoring, on-ground support, audit, inspection and enforcement related to the life cycle activities of wells, facilities and pipelines. Ministry lead in responding to and providing oversight for operational activities and incidents involving wells, facilities and pipelines, including ensuring reclamation activities are undertaken for such incidents.
3	Liability Management Branch oversees programming related to inactive infrastructure closure obligations, reclamation standards, procedures and practices; Licensee Liability Rating (LLR) administration; Saskatchewan Oil and Gas Orphan Fund administration and procurement; care and custody of at-risk sites; management of severely contaminated sites; and well and facility transfer approvals.
4	Resource Management Branch is responsible to ensure resource extraction, storage and disposal activities utilizing wells are done in a responsible manner to maximize resource potential, prevent waste, ensure equitable production of resources, ensure public safety and protect the environment. Branch also oversees the reduction of greenhouse gas emissions from upstream oil and gas activities; and established production allowables, completion allocations, spacing areas, pools, forced pooling and units for oil and gas production.
5	Information Management Branch is responsible for well, facility and seismic information collection, monitoring, validation and publication; drilling core and cuttings collection, storage and administration; measurement standards, audits and compliance; and the licensing, sale and distribution of electronic data.
6	Regulatory Affairs and Licence Management Leads and manages activities related to regulatory, legislative and directive development, consultation practices, Administrative Levy reporting and accountability and red tape and program reviews. Branch coordinates approvals and conducts review of well licences.
7	Surface Rights Board of Arbitration (SRBA) Administers costs for the SRBA, governed by <i>The Surface Rights Acquisition and Compensation Act</i> . The SRBA is a last resort when a landowner or occupant and an oil and gas or potash operator are unable to reach an agreement on the terms of surface access for oil, gas or potash development purposes and/or the compensation payable.
8	Orphan Well Fund Covers legal expenses for activities associated with pre-orphaned companies
9	Central Learning Fund Costs associated with training for ERD employees. Costs typically relate to educational opportunities to support technical knowledge or public administration functions.
10	Information Technology and Database Costs Costs associated with the on-going development, support and maintenance of IRIS, including IT costs for the support and maintenance of IRIS. Costs also include the amortization costs of capitalized IRIS IT projects and the operating costs of the legacy systems replaced by IRIS that are in the process of being phased out.
11	Central Overhead and Costs Allocation of central accommodation, IT, service desk and benefit costs attributable to levy activities; accommodation costs for the Subsurface Geological Laboratory (SGL) where core samples gathered in accordance with regulations are located; amortization costs of capitalized SGL assets and capitalized Field Services branch field assets; and staff development costs not covered under the Central Learning Fund.
12	Ministry of Agriculture Salary, expenses and mileage for site inspections, review of new project proposals, abandonment inspections, lease spills, seed mix reviews and approvals; salary and operating costs for one director, one agreement coordinator to prepare leases and address industry inquiries and Regina staff involved in policy development, rate review, billing, collections and accounting associated with active leases.
13	Ministry of Environment Salaries and operating costs for ecological protection specialists, support staff and manager from the Lands Branch responsible for review and approval of oil and gas industry proposals. Time for registry staff from the Corporate Services Branch responsible for producing and completing all land dispositions associated with industry. Oil and gas industry related time for staff at the ENV's Conservation Data Centre, which provides rare and endangered species information to industry for use in planning, exploration and development. Time allocated to the regional wildlife and fisheries biologist to associate with industry, and issues and proposals for Environmental Assessment and Stewardship Branch staff.

Appendix A: Other Applications by Type with Average Turnaround Times

Submission Count		2023/24 Submission Count	Turnaround Time (Business Days)
Acid Gas Disposal Application	Total	2	73
Additional Wellbore Application	Total	65	5
Amend Power of Attorney Application	Total	1	12
Application for Non-Routine Abandonment (Legacy)	Total	10	26
Application for Obligation Addition	Total	1	1
Application for Obligation Deletion	Total	5	2
Application for Obligation Extension	Total	175	3
Application for Obligation Waiver	Total	355	4
Application for Pipeline Licence	Total	576	1
Application for Well Licence	Total	1666	6
Application for Well Repair	Total	386	3
Application to Review Confidentiality Period	Total	12	6
Application to Waive 30 Day AOF Test	Total	3	5
CO ₂ Project Storage Application	Total	4	82
Commingling-Disposal/Other	Total	7	23
Commingling-Oil/Gas	Total	74	5
Concurrent Production Application	Total	9	12
Decrease in ART Application	Total	5	10
Disposition Surrender Application	Total	39	4
Disposition Transfer Application	Total	369	4
Emissions Adjustment Application	Total	4	37
Emissions Reduction Plan Application	Total	14	42
Enhanced Recovery Application	Total	71	18
Extend Inspection Item Due Date Application	Total	807	4
Facility Decommission Application	Total	67	8
Forced Pooling Application	Total	2	50
Full Exemption from Reclamation	Total	248	31
Gas Well Test Waiver Application	Total	1	3
Good Production Practice (GPP) Application	Total	13	26
ILRP Compliance Plan Application	Total	6	3
Licence Transfer Application	Total	6	3
Logging Amendment Application	Total	145	2
Maximum Permissible Rate (MPR) App (Legacy)	Total	14	4
Maximum Permissible Rate (MPR) Application	Total	23	3

Submission Count		2023/24 Submission Count	Turnaround Time (Business Days)
Measurement Exemption Application	Total	20	137
Measurement, Accounting and Reporting Plan	Total	6	85
Multi-Licensed Site Liability Reduction	Total	261	3
Negotiated Substance	Total	1	11
Non-Routine Pipeline Abandonment Application	Total	17	9
Partial Exemption from Reclamation	Total	160	31
Pipeline Leave to Open Application	Total	536	1
Pipeline Licence Data Amendment Application	Total	199	1
Pipeline Liner Install Application	Total	20	3
Pipeline Reactivation Application	Total	63	7
Pipeline Removal Application	Total	48	1
Pipeline Segment Cancellation Application	Total	841	15
Pipeline Segment Data Amendment Application	Total	2158	2
Pipeline Segment Replacement or Reroute	Total	3	7
Qualifying Conservation Project Application	Total	4	32
Reclamation Application	Total	941	29
Reclamation Declaration Application	Total	1624	1
Reclassification Application	Total	86	6
Recompletion	Total	70	4
Rental Refund for Helium Leases	Total	2	55
Retroactive Pipeline Licence	Total	1644	1
Security Deposit Refund Request Application	Total	30	4
Spacing Modification Application	Total	75	15
Storage Project Application	Total	1	52
Venting/Flaring Application	Total	30	27
Well Abandonment Application	Total	2826	3
Well Test	Total	22	7

Appendix B: Governing Legislation

Legislation

Rules governing the oversight of oil and gas operations can be found in the following pieces of legislation, regulation and directives.

Legislation overseen by the Ministry of Energy and Resources (ER) includes:

- *The Financial Security and Site Closure Regulations*
- *The Oil and Gas Conservation Act*
- *The Oil and Gas Conservation Regulations, 2012*
- *The Petroleum Registry and Electronic Documents Regulations*
- *The Pipelines Act, 1998*
- *The Pipeline Regulations, 2000*
- *The Seismic Exploration Regulations, 1999*
- *The Surface Rights Acquisition and Compensation Act*
- *The Surface Rights Acquisition and Compensation Regulations*

The above legislation can be found here: <https://publications.saskatchewan.ca/#/categories/1210>.

ER also administers the following directives:

- *Directive PNG001 - Facility Licence Requirements*
- *Directive PNG003 - Well Survey Requirements*
- *Directive PNG004 - Surface Lease Construction Requirements*
- *Directive PNG005 - Casing and Cementing Requirements*
- *Directive PNG006 - Horizontal Oil and Gas Well Requirements*
- *Directive PNG007 - Off-Target Well Requirements*
- *Directive PNG008 - Disposal and Injection Well Requirements*
- *Directive PNG009 - Public Notice Requirements*
- *Directive PNG010 - Well Logging Requirements*
- *Directive PNG011 - Allowable Rate of Production: Gas Wells*
- *Directive PNG012 - Allowable Rate of Production: Oil Wells*
- *Directive PNG013 - Well Data Submission Requirements*
- *Directive PNG014 - Incident Reporting Requirements*
- *Directive PNG015 - Well Abandonment Requirements*
- *Directive PNG016 - Acknowledgement of Reclamation Requirements*
- *Directive PNG017 - Measurement Requirements for Oil and Gas Operations*
- *Directive PNG018 - Detailed Site Assessment Requirements*
- *Directive PNG025 - Financial Security Requirements*
- *Directive PNG030 - Fees for Oil and Gas Data and Related Services*
- *Directive PNG031 - Site Specific Liability Assessment*
- *Directive PNG032 - Volumetric, Valuation and Infrastructure Reporting in Petrinex*
- *Directive PNG033 - Phase II Environmental Site Assessment*
- *Directive PNG034 - Saskatchewan Pipelines Code*
- *Directive PNG036 - Venting and Flaring Requirements*
- *Directive PNG045 - Acknowledgment of Reclamation for Sodium Chloride Impacted Sites*

- *Directive PNG048 - Hydraulic Fracturing Requirements*
- *Directive PNG075 - Enhanced Valuation Audit Program*
- *Directive PNG076 - Enhanced Production Audit Program*
- *Directive S-01 - Saskatchewan Upstream Petroleum Industry Storage Standards*
- *Directive S-20 - Saskatchewan Upstream Flaring and Incineration Requirements*

The above directives can be found here: <https://publications.saskatchewan.ca/#/categories/5568>.

Applicable legislation overseen by the Ministry of Environment (ENV) includes:

- *Environmental Management and Protection Act, 2010*
- *The Environmental Assessment Act*
- *The Forest Resources Management Act*
- *The Provincial Lands Act, 2017*
- *The Crown Resource Land Regulations, 2019*

ENV also administers the:

- Environmental Evaluation Checklist for Oil and Gas Development Projects on Private Land in Saskatchewan
- Environmental Evaluation Checklist for PNG Linear Projects on Private Land in Saskatchewan
- Environmental Evaluation Checklist for Seismic Operations on Private Land in Saskatchewan
- Environmental Review Guidelines for Oil and Gas Activities
- Guidelines for the Preparation of As-Built Reports
- Mineral Exploration Guidelines for Saskatchewan

The above policies and guidelines can be found here:

<https://publications.saskatchewan.ca/#/categories/78>

Applicable legislation overseen by the Ministry of Agriculture (AG) includes:

- *The Provincial Lands Act, 2016*
- *The Provincial Lands (Agriculture) Regulations*

AG also administers the:

- Oil and Gas Development Policy
- Oil and Gas Surface Fee Schedule Amendment
- Restoration of Saskatchewan's Agricultural Crown Rangelands
- Seismic Activity Policy

The above policies and guidelines can be found here:

<https://www.saskatchewan.ca/business/agriculture-natural-resources-and-industry/agribusiness-farmers-and-ranchers/crown-lands/agricultural-crown-land/oil-and-gas-development-surface-leasing/surface-leasing-policies>.