

# *The Bayhurst Viking Voluntary Gas Unit Regulations*

*being*

[Chapter M-16 Reg 1](#) (effective May 12, 1981).

## **NOTE:**

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

## CHAPTER M-16 REG 1

### *The Crown Minerals Act*

#### Title

1 These regulations may be cited as *The Bayhurst Viking Voluntary Gas Unit Regulations*.

#### Natural gas royalty

2 Saskatchewan Power Corporation shall pay the natural gas Crown royalty, in accordance with the provisions of *The Petroleum and Natural Gas Regulations, 1969*, being Saskatchewan Regulations 8/69, on the volume of natural gas specified in the agreement set forth in the Appendix.

22 May 81 cM-16 Reg 1 s2.

#### APPENDIX

Province of Saskatchewan  
Department of Mineral Resources  
Bayhurst Viking Voluntary Gas Unit  
Royalty Agreement

This Memorandum of Agreement made as of \_\_\_\_\_ day of \_\_\_\_\_, 1981.

#### BETWEEN:

HER MAJESTY, THE QUEEN, in the right of the Province of Saskatchewan, as represented by the Minister of Mineral Resources, hereinafter called the "Minister"

– and –

Saskatchewan Power Corporation, hereinafter called "SPC"

WITNESSES THAT in consideration of the premises and of the mutual covenants and agreements hereinafter contained, the Minister and SPC hereby agree and covenant with each other as follows:

#### 1 In this Agreement:

(a) "**injected gas**" means the total volume of outside natural gas injected into the reservoir;

(b) **“remaining reserves”** means the volume of natural gas left in the reservoir when the first injection begins and such volume has been determined to be 286 100 000 cubic metres as of September 30, 1980, less any production occurring between October 1, 1980 and March 31, 1981;

(c) **“reservoir”** means the unitized zone of the Bayhurst Viking Voluntary Gas Unit;

(d) **“royalty”** means the amount of money to be paid by SPC to the Crown on the production of natural gas from the reservoir by way of royalty under The Petroleum and Natural Gas Regulations, 1969, as amended or substituted from time to time;

(e) **“storage”** means the use of the reservoir for storage of injected gas.

**2** This Agreement applies to the payment of royalties on production of the remaining reserves.

**3** The royalty payable on natural gas shall be on the production of the remaining reserves on and after March 31, 1981, at the Crown royalty rate in effect at the time of production until a volume of natural gas equal to the remaining reserves has been produced.

**4** Where the reservoir is used for natural gas storage, the principle of “first in — first out” shall apply in determining the production of natural gas for the purpose of royalty payments and the remaining reserves shall be deemed to be “first in” natural gas.

**5** Notwithstanding anything herein contained, SPC shall pay royalty to the Crown at the Crown natural gas royalty rate in effect at the time of production on all natural gas produced from the reservoir in excess of the combined volume of injected gas and remaining reserves.

In Witness Whereof the Minister has executed this Agreement on behalf of Her Majesty and SPC has hereunto affixed its corporate seal attested by the proper officer or officers on its behalf.

Original signed by  
Elwood Cowley

\_\_\_\_\_  
Witness

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Minister of Mineral Resources

Saskatchewan Power  
Corporation

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