

2007

CHAPTER 23

An Act to amend *The Crown Minerals Act*

(Assented to May 17, 2007)

HER MAJESTY, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows:

Short title

1 This Act may be cited as *The Crown Minerals Amendment Act, 2007*.

S.S. 1984-85-86, c.C-50.2 amended

2 *The Crown Minerals Act* is amended in the manner set forth in this Act.

Section 22 amended

3 The following clause is added after clause 22(1)(g):

“(g.1) respecting the issuance of a Crown lease pursuant to subsection 23(12), including:

- (i) prescribing procedures to surrender a lease respecting acquired oil and gas rights;
- (ii) respecting the requirements to apply to convert a lease respecting acquired oil and gas rights to a Crown lease; and
- (iii) respecting the terms and conditions on which the minister may issue the Crown lease”.

Section 23 amended

4(1) Subsection 23(1) is repealed and the following substituted:

“(1) In this section and in section 22:

- (a) **‘acquired oil and gas rights’** means the oil and gas rights that were vested in the Crown in right of Saskatchewan by virtue of section 27 of *The Oil and Gas Conservation, Stabilization and Development Act*;
- (b) **‘lease’** includes:
 - (i) a *profit-à-prendre* or agreement giving the right to take any of the acquired oil and gas rights with respect to which a caveat has been filed; or
 - (ii) an interest in a *profit-à-prendre* or agreement mentioned in subclause (i);
- (c) **‘lessee’** means, for purposes of subsections (10) to (12), the lessee pursuant to a lease that was associated with acquired oil and gas rights immediately before the vesting of those rights in the Crown in right of Saskatchewan;

(d) ‘oil and gas rights’ includes any share or interest in oil and gas rights;

(e) ‘owner’ means the person who had an estate in fee simple in oil and gas rights that were vested in the Crown in right of Saskatchewan by virtue of section 27 of *The Oil and Gas Conservation, Stabilization and Development Act* immediately before the vesting of those rights in the Crown in right of Saskatchewan”.

(2) The following subsections are added after subsection 23(9):

“(10) Notwithstanding subsection (2), the lessee respecting acquired oil and gas rights is not required to determine and pay royalties to the Crown in accordance with the lease that was associated with the acquired oil and gas rights immediately before the vesting of those rights in the Crown in right of Saskatchewan, but is required to determine and pay royalties to the Crown in accordance with the regulations as if the lease was a Crown lease issued pursuant to this Act.

“(11) Before the expiry of the term of a lease respecting acquired oil and gas rights, the lessee may apply to the minister, in accordance with any regulations made for the purposes of this section, to convert to a Crown lease that portion of the lease that relates to acquired oil and gas rights.

“(12) On an application pursuant to subsection (11), the minister may issue to the lessee a Crown lease with respect to the oil and gas rights mentioned in subsection (11) in accordance with any regulations made for the purpose of this subsection.

“(13) Subject to clause 23.1(9)(c), the conversion of a lease of acquired oil and gas rights to a Crown lease pursuant to subsections (11) and (12) does not affect the entitlement of the owner to compensation in accordance with this section”.

Section 23.1 amended

5 Subsection 23.1(9) is repealed and the following substituted:

“(9) Subsection (8) applies to every lease with respect to oil and gas rights mentioned in subsection (2) that:

- (a) was in existence at the day of acquisition of the oil and gas rights by the Crown;
- (b) was issued pursuant to subsection 23(8) or section 34 of *The Oil and Gas Conservation, Stabilization and Development Act*; or
- (c) if subsections 23(11) and (12) apply to the lease, was a Crown lease issued pursuant to subsection 23(12)”.

Coming into force

6 This Act comes into force on proclamation.