

THE PROVINCIAL REGULATORY APPROVAL PROCESS
IN SASKATCHEWAN
FOR
PETROLEUM AND NATURAL GAS DRILLING
AND
SEISMIC EXPLORATION

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TABLE OF CONTENTS

| | <u>PAGE NO.</u> |
|------------------------------------|-----------------|
| INTRODUCTION | 1 |
| THE REGULATORY PROCESS | 2 |
| WELL DRILLING | 3 |
| SEISMIC EXPLORATION | 10 |
| APPENDICES | |
| Appendix A: Applicable Fees | 14 |

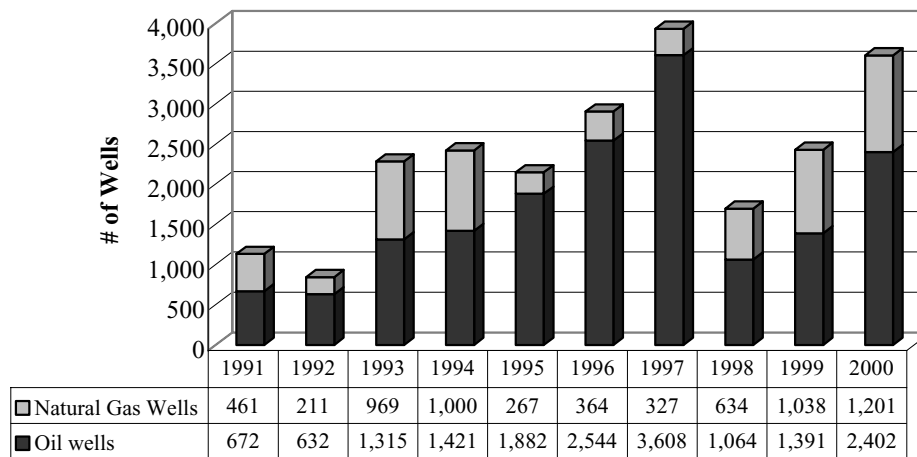
INTRODUCTION:

The oil and gas industry is a major contributor to Saskatchewan's economy in terms of employment, investment, and government revenues. Therefore, continued exploration and development are essential in order to maintain a healthy provincial economy.

An average of 26,500 kilometers of seismic surveys were run annually in Saskatchewan from 1995 to 2000. 1997 represented a record year with 40,020 kilometers of seismic surveys.

The number of oil and natural gas wells that are drilled in Saskatchewan has always fluctuated as a result of the rise and fall of international oil prices. The degree of fluctuation in drilling is illustrated in the following graph, which covers the past ten years of drilling.

WELLS DRILLED IN SASKATCHEWAN



Saskatchewan can encourage exploration and development in the province by working in partnership with industry to create a regulatory climate that is clear, competitive, and applied consistently across government departments. Such a climate will increase the competitive advantage for business and stimulate growth and economic activity in the province.

This paper will serve as an information item, not only for the oil and gas companies that are presently operating in Saskatchewan, but also for new companies wanting to engage in exploration and development in the province.

THE REGULATORY PROCESS:

There are four principal provincial regulators of petroleum and natural gas drilling and seismic exploration in Saskatchewan. The following table lists some of the applicable acts and regulations for which each department is responsible.

| Department | Acts/Regulations | Purpose |
|--|--|--|
| Energy and Mines (SEM) | <p><i>The Crown Minerals Act (Ref. # C50.2)</i></p> <p><i>The Mineral Resources Act, 1985 (Ref. # M-16.1)</i> - <i>The Seismic Exploration Regulations, 1999 (Ref. # Reg 2)</i></p> <p><i>The Oil and Gas Conservation Act (Ref. # O-2)</i> - <i>The Oil and Gas Conservation Regulations, 1985 (Ref # Reg 1)</i></p> | <p>Applies to the granting and acquiring of rights to, and interests in, Crown minerals, and Crown mineral lands in Saskatchewan.</p> <p>Pertains to the exploration, development, conservation, and management of mineral resources. The regulations provide rules and regulations that will provide safety to the public from seismic operations.</p> <p>Applies to the conservation of oil and gas resources. The regulations pertain to well licensing; the Oil and Gas Environmental Fund; prohibited drilling areas; approval of drilling; and completion of operations.</p> |
| Environment and Resource Management (SERM) | <p><i>The Environmental Assessment Act (Ref. #E-10.1)</i></p> <p><i>The Wildlife Habitat Protection Act(WHPA) (Ref. # W-13.2)</i> - <i>The Wildlife Habitat Lands Disposition and Alteration Regulations (Ref. # Reg 1)</i></p> <p><i>The environmental Management and Protection Act (EMPA) – Red. # E-10.2)</i></p> <p><i>The Provincial Lands Act (Ref. # P-31)</i> - <i>The Resource lands Regulations (Ref. #Reg 3)</i></p> | <p>To assess the impact of new developments on the environment.</p> <p>Provides for the management of some Crown agriculture lands for wildlife.</p> <p>The WHPA applies only to certain Sask. Crown agricultural (primarily grazing) lands administered by SAF. The Act lists the affected lands. The regulations provide for certain types of activity, including most O&G activity, which are considered acceptable, and provide a mechanism (Minister’s approval) for development which has potential to adversely affect the habitat value (for O&G, usually development at a density of >4 wells per ¼Section).</p> <p>Applies to the management and protection of the environment. Specific environmental protection requirements which are addressed under <i>The Oil and Gas Conservation Act</i> are exempt from the EMPA.</p> <p>The administration of provincial lands in Saskatchewan.</p> |

| Department | Act/Regulations | Purpose |
|-------------------------------------|---|--|
| Municipal Affairs and Housing (MAH) | <i>The Fisheries Act, 1994 (Ref. # F-16.1)</i> | <i>The Fisheries Act</i> (Saskatchewan) pertains to management of the Fishery. <i>The Fisheries Act</i> (Canada) deals with habitat. |
| | <i>The Forest Resource Management Act (Ref. # F-19.1)</i> | Deals with how forest lands are managed. |
| | <i>The Wildlife Act</i> - <i>Wild Species at Risk Regulations</i> | Pertains to wildlife management and protection. <i>The Wild Species at Risk Regulation</i> provide for protection of named endangered and threatened species of plants and animals |
| | <i>The Rural Municipality Act, 1989 (Ref. # R- 6.1)</i> - <i>The Rural Municipalities Oil Well and Gas Well Drilling Fee Schedule Regulations (Ref. # Reg 8)</i> | Pertains to the authority of RMs. |
| | <i>The Heritage Property Act (Ref. #H-2.2)</i> | Preservation, Interpretation and Development of certain aspects of Heritage properties. |
| | <i>The Planning and Development Act, 1983 (Ref. #-13.1)</i> - <i>The Subdivision Regulations ((Ref. # Reg 1)</i> | Applies to planning and development in rural, urban and northern municipalities. |
| Agriculture and Food (SAF) | <i>The Urban Municipality Act, 1984 (Ref. # U 11)</i> | Pertains to the authority of all urban municipalities. |
| | <i>The Provincial Lands Act (Ref. # P-31)</i> - <i>The Provincial Lands Regulations (Ref. # R 145/68)</i> | The administration of provincial lands in Saskatchewan. |

WELL DRILLING

Acquiring the Mineral Rights

If a company or individual does not already own the petroleum and natural gas rights beneath the surface of the land, they must obtain these rights prior to drilling taking place. They normally do this by leasing or occasionally purchasing the rights from individual freehold mineral holders or the Crown. The rights posted in Crown petroleum and natural gas rights sales are usually those requested by oil and gas companies. Prior to posting Crown petroleum and natural gas rights for sale, the Mineral Rights Branch of SEM determines if the land has any surface restrictions, such as lands designated in *The Wildlife Habitat Protection Act*, environmental, and heritage issues. Treaty Land Entitlements may also

be an issue for both surface and mineral rights.

If SEM decides not to post the petroleum and natural gas rights for sale because of these or other concerns, the oil and gas company will be advised. Otherwise, the lands will be posted with the applicable restrictions listed beside each posted parcel. This way, companies interested in the petroleum and natural gas rights will know of any possible surface access restrictions prior to making their decision to bid on a posted parcel. Companies that are participating in the land sale may direct their inquiries about any restrictions to the department(s) listed beside each parcel.

Participants must also abide by the various acts and regulations governing these restrictions such as *The Heritage Property Act*, *The Environmental Assessment Act*, and other acts and regulations that relate to each restriction.

Some of these restrictions and the administrating agencies are listed below:

Municipal Affairs and Housing (MAH)

The Heritage Property Act defines Heritage Property as “property that is of interest for its architectural, historical, cultural, environmental, archaeological, palaeontological, aesthetic or scientific values.”

Under *The Heritage Property Act*, MAH reviews oil and gas developments to determine their potential effects on heritage sites. MAH may require a heritage resource impact assessment to assess the potential impacts of development, and may require the proponent to carry out any further conservation, protection, or emergency salvage work that may be deemed appropriate, if a conflict with Heritage Resources is considered likely.

The studies must be carried out by qualified heritage contractors under an investigation permit issued by MAH. There is no fee for these permits. Once MAH is satisfied with the result of the assessment, they will advise the company, in writing, that there are no further heritage issues, and that the company may proceed with the development.

Heritage restrictions should be cleared with MAH prior to applying for a well drilling licence from SEM and prior to any surface alterations.

MAH is also responsible for *The Rural Municipality Act, 1989*, *The Urban Municipality Act, 1984*, and *The Planning and Development Act, 1983*. The company must contact the applicable rural municipality before drilling, for a development permit, if needed.

Under *The Planning and Development Act, 1983*, if the well is a producer and a flowline easement is required, a subdivision application to MAH may be necessary. In many cases, the person obtaining the easement may substitute an affidavit for a subdivision approval. In the affidavit, the person swears that the easement will be used for a distribution, service, connection, or collection line, to consumers or end users of the service, and not for a general transmission line. The easement must be based on a Plan of Survey prepared by a Saskatchewan Land Surveyor.

In some rural and urban municipalities, the local Zoning Bylaw may affect the location of a proposed well. To avoid conflict with other land uses, early contact should be made with the appropriate municipal office to determine if a development permit is required

Saskatchewan Energy and Mines (SEM)

The department is responsible for managing the province’s petroleum and natural gas resources. SEM regulates petroleum and natural gas drilling, completion, production, and abandonment of operations through:

- *The Oil and Gas Conservation Act*; and
- *The Oil and Gas Conservation Regulations, 1985*.

According to *The Oil and Gas Conservation Regulations, 1985*, a company wishing to drill a well must, prior to the commencement of those operations, submit to the Petroleum Development Branch of SEM, two copies each of the application for a well licence, the certified survey plan, and all consents required under the SEM regulations. The survey plan must show the exact location of the proposed well site in relation to the boundaries of the section, water-covered areas, mines, existing wells, roadways, road allowances, railways, pipelines, power lines, aircraft runways, and structures of any kind. The issuance of a well licence by SEM does not grant right of entry to the surface of the land. Prior to commencing drilling operations, the company must negotiate surface access with the individual private landowner(s) or in the case of Crown lands, obtain a surface lease agreement from the agency responsible for managing the lands (SAF or SERM).

SEM's turnaround time for approving a well drilling licence is normally three working days with the maximum being ten working days. However, same day approval may be granted providing the applicant can prove to SEM's satisfaction that extenuating circumstances exist.

Saskatchewan Environment and Resource Management (SERM)

Screening Process (applies to ALL Crown land and may apply to some privately owned land):

SERM is responsible for administering *The Environmental Assessment Act*. Under the Act, any project defined as a "development" must be formally reviewed by SERM and approved by the Minister of Environment and Resource Management. The Minister may attach any terms and conditions deemed necessary to protect the environment. The Act is of general application, applying to

any type of project on any type of land and to any proponent (including the Crown).

The Environmental Assessment Act defines "development" as "...any project or activity, or any alteration, or expansion of any project, operation, or activity, which is likely to:

- have an effect on any unique, rare or endangered feature of the environment;
- substantially use any provincial resource and in doing so, pre-empt the use, or potential use, of that resource for any other purpose;
- cause the emission of any pollutants or create by-products, residual, or waste products which require handling and disposal in a manner that is not regulated by any other act or regulation;
- cause widespread public concern because of potential environmental changes;
- involve a new technology that is concerned with resource use and that may induce significant environmental change; or
- have a significant impact on the environment or necessitate a further development which is likely to have a significant impact on the environment."

Any project that is "likely" to meet one or more of these criteria must undergo a full Environmental Impact Assessment (EIA) and receive Ministerial Approval before it may proceed. The environmental assessment and screening process described below provides an opportunity for the developer to demonstrate an awareness of environmental concerns and to present plans demonstrating that the conflicts have been resolved, thereby avoiding the need for more extensive environmental review and ministerial approval.

SERM also reviews oil and gas projects under the following Acts:

- *The Wildlife Habitat Protection Act*;
- *The Fisheries Act*;
- *The Forest Resource Management Act*;
- *The Provincial Lands Act*;
- *The Environmental Management and Protection Act*; and
- *The Wildlife Act*.

The environmental assessment screening and approval process begins when the company submits a Project Proposal to the oil and gas co-ordinator in one of SERM's five regional offices. This simplifies SERM's review process and provides a "local window" for the company. The Project Proposal is used by SERM to determine if the project is, or is not, a "development". Another objective of the Proposal is to determine if there are any site-specific environmental concerns with the project and whether plans to deal with those concerns are acceptable.

Note: SERM requests a Project Proposal for ALL development projects on Crown land, and may require one for projects on private land where there is some likelihood of an environmental conflict, e.g., where the project is close to a water body, endangered species or some other public resource). See the section on *Accessing Private Land*.

If a project is deemed to be not a "development", the project may proceed when all other regulatory permits and licences have been obtained.

If the regional office determines that the project has significant environmental concerns, it will be referred to the Environmental Assessment Branch (EAB) in Regina. Projects with significant concerns will proceed to a more comprehensive formal review [Environmental Protection Plan (EPP) or for a very significant impact, an Environmental Impact Assessment
September 2001

(EIA)], under *The Environmental Assessment Act*.

Note: Areas where EPPs or EIAs are required are usually high-profile areas of well-known environmental sensitivity where there is significant public concern regarding industrial development (e.g., Great Sand Hills, Cypress Hills, northern forest). Projects in these areas can readily meet a number of potential triggers in *The Environmental Assessment Act*.

SERM has prepared revised *Guidelines for Preparation of an EPP for Oil and Gas Projects*. This guideline details the review process and describes the types of information to be included in an EPP. See the Guidelines at

<http://www.serm.gov.sk.ca/environment/assessment/composite.PDF>

At the minimum, a Project Proposal submitted to SERM regional offices should include a:

Project Description:

Describes the physical characteristics of the project such as access roads, well sites, and other key features of the project. The project description should include:

- three copies of maps/photographs that detail locations of project components (e.g., access roads, power lines, temporary work camps, and extra working space requirements);
- the rationale for choosing the proposed route/site selection;
- pre-development plans for well sites; and
- description of proposed and alternate access (if applicable).

Legal surveys of well sites, compressor stations, battery stations.

Project evaluation that describes how the development may impact any environmental considerations in the area (e.g., wildlife habitat).

A development and restoration plan comprising:

- a site assessment with a description on the general landscape, soil type, and vegetation cover; and
- proposed measures to minimize surface disturbance, to safeguard any unique landscape features, and to reclaim the land when the lease expires.

A waste management plan for this project if waste management plans are not consistent with SEM guidelines.

The company's environmental monitoring commitment (what will be monitored, who will do the monitoring, and the frequency of monitoring).

See the Project Proposal Guidelines at: <http://www.serm.gov.sk.ca/environment/assessment/oilandgas/procedures.PDF>

Note: The Project Proposal incorporates requirements of SAF's restoration guidelines and should also be provided to the SAF regional office when SAF-administered lands are involved.

If SERM determines that some crucial information is lacking from the project proposal, it will request that information be provided before making any decision. Developers should include information on the socio-economic characteristics of the area(s) which will be affected by the project, where applicable (e.g., distance to nearest residences or communities).

Accessing SERM-administered Land:

SERM is responsible for the administration of the surface of lands held by the Crown in most of northern Saskatchewan and various other "islands" of Crown surface lands in southern Saskatchewan (e.g., provincial parks, Wildlife Development Fund Land, and recreational sites).

SERM does **not** administer lands under *The Wildlife Habitat Protection Act* (WHPA), with rare exceptions. These are almost all Crown lands administered by SAF. WHPA provides some restrictions on the use of those lands so as to protect habitat and provides the Minister of SERM with authority to require restoration of habitat if damages occur in the course of other land uses. SERM's approach is to work with land users to prevent damage rather than attempt the much more difficult and costly process of restoring damage after it has occurred.

If the land(s) surface is administered by SERM, then it is the responsibility of SERM to provide companies the right to access the land.

In order to access SERM-administered land for drilling, the company must:

- obtain survey authorization from the SERM regional office;
- get approval to begin drilling from the applicable SERM regional office; and
- prepare the well site subject to the conditions listed in the approval (conditions on the approval reflect concerns and the developer's environmental protection commitments identified in the project proposal information previously provided to SERM – see above). If the well is a producer, SERM will issue a lease.

This process is followed except where the regional office identifies environmental concerns that require the project to proceed to a more formal review process (e.g., EPP or EIA).

The process of gaining access to SERM-administered land requires that outstanding environmental concerns be resolved to the department's satisfaction before work begins. The same process is used in all cases – the difference is the degree to which concerns exist with the project and the level of planning and commitment by the proponents to ensure that the project proceeds with an acceptable level of impact. If an EPP or EIA is required, right-of-entry will be withheld until the concerns that formed the basis for this request are resolved.

Accessing Private Land:

Drilling, and other development activity such as pipelines, batteries, and compressor stations on private land usually do not require approval from SERM, unless there is a direct conflict with a public resource (e.g., a rare species, a stream or water body). SERM has developed a **Private Land Checklist**, for companies to self-screen their development projects on privately owned land and to determine if they require review by SERM. If there is conflict with a public resource a company must provide information to SERM on the specific conflict and how the company plans to resolve it, using the Project Proposal process described above. If SERM identifies significant environmental concerns, a company may be required to submit an EPP, following the same process as it would for a well drilled on Crown land (see flowchart on page 2 of Appendix B).

To view SERM's environmental checklist for oil and gas development projects on private land go to:

<http://www.serm.gov.sk.ca/environment/assessment/private-land.PDF>

Saskatchewan Agriculture and Food (SAF)

SAF has jurisdiction over Crown agriculture surface lands under the authority of *The Provincial Lands Act*. In order for a company to conduct any petroleum and natural gas drilling on Crown agriculture lands, it must obtain a Petroleum and Natural Gas Surface Lease from SAF. The surface lease grants approval for the company to enter onto the land on which it wishes to conduct the drilling.

A surface lease is defined in *The Provincial Land Regulations* as “A lease of provincial lands issued for the purpose of exploration, recovery, storage or transportation of petroleum and natural gas.”

Accessing Crown Agriculture Land Administered by SAF:

In order for a company to access these lands, it must:

- contact the regional office of the SAF Lands Branch to determine if there are any restrictions on the land and to determine whether or not it is leased or vacant;
- contact the lessee (if the land is under lease) to discuss the proposed sites and to get the lessee's permission to enter the property. If the lessee refuses to grant entry to the company, SAF will identify any legitimate concerns of the lessee and mediate with the company to resolve these concerns;
- contact the SAF district land agrologist if the land is vacant;
- the company must have written authorization from SAF before entering the property and is responsible for determining other registered interests in or on the lands and remains liable for damages;

- prepare a survey plan, which identifies the lands under lease as well as the intended location of all drilling, construction, roadways, and other development activities to be carried out pursuant to the lease;
- submit a Project Proposal/Restoration Plan to regional SAF/SERM offices as per assessment/screening and approval process on page 6. The company must send one copy of the above information to SAF, and two copies to the SERM regional office; and
- have addressed reservation issues with other provincial departments such as SERM and MAH.

Note: SAF and SERM's reviews are done in parallel (**using the same documentation**); however, SAF will not issue the surface lease before receiving SERM's clearance and list of conditions.

- Lease preparation or other construction/drilling cannot begin until all necessary permits have been received.

Note: The Restoration Plan incorporates the same information as the Project Proposal to be provided to the SERM regional office. A single planning report satisfies both departments' requirements.

SAF and SERM's Role in the Approval Process:

- SERM's regional offices have ten working days from receiving the initial application to:
 - complete their screening process and provide clearance under The Environmental Assessment Act;
 - decide if the project requires any further review; and
 - advise SAF of any environmental concerns that SERM may have and provide SAF with specific environmental terms and conditions that will form part of SAF's surface lease.
- SAF's Lands Branch conducts a review to establish its own management and environmental conditions. SAF will issue a "right-of entry", or a surface lease, which incorporates the specific SERM/SAF terms and conditions within ten working days of receiving SERM's conditions.

SEISMIC EXPLORATION

Seismic exploration is a surface activity that requires the land owner's approval (whether on Crown or freehold land) before any work can begin. However, provincial approval guidelines must be followed regardless of who owns the land.

Saskatchewan Energy and Mines (SEM)

The department is responsible for the following legislation and regulation, which apply to seismic exploration:

- *The Mineral Resource Act, 1985*; and
- *The Seismic Exploration Regulations, 1999*.

The Seismic Exploration Regulations, 1999, define Seismic exploration as "...the use of artificially-generated seismic waves for any of the following purposes:

- searching for minerals, oil and gas;
- defining geological formations; and
- conducting engineering studies for the purpose of obtaining geological data."

A company wanting to conduct seismic exploration must first obtain from SEM a copy of *The Seismic Exploration Regulations, 1999* and a copy of the Guidelines for Conducting Seismic Programs in Saskatchewan.

Requirements for Seismic Exploration under *The Seismic Exploration Regulations, 1999*:

Once every five years, a seismic company must submit for approval to the Petroleum Development Branch of SEM a "**Licence Application to Conduct Seismic Exploration**" and for each employee who will handle, load, or detonate explosives in

the course of their field operations an "**Application for an Explosive Permit**".

The Seismic Exploration Regulations, 1999, defines "Field Operations" as "...any or all of the following activities carried out for the purposes of seismic exploration: surveying, drilling, blasting, operating vibrator equipment, and recording results."

Prior to commencing field operations, the holder of a seismic exploration licence must:

- Submit for approval to the Sedimentary Geodata Unit of SEM a "**Preliminary Plan**" form, along with the original copy of a 1:50,000 scale map, for the proposed program. The preliminary plan must be submitted two weeks before commencing field operations and must include:
 - the name of the licence holder submitting the preliminary plan;
 - the licence holder's exploration licence number;
 - the name and telephone number of the office contact;
 - the program name;
 - the expected commencement and completion dates of the program;
 - the expected number of line kilometers;
 - the location of the program with references to sections, townships, ranges and meridians;
 - the method of seismic exploration and the location and the justification of any shot holes; and
 - the location and justification for any charge to be placed more than 30 meters deep, or on or above the surface.

- Notify, in writing, SEM and the applicable rural municipality of the seismic field contractor, their exploration licence number, office contact, and telephone number (if not on the original plan submission).
- If the **preliminary plans** are **denied**, address issues pointed out by SEM and re-submit the plans to SEM.
- If the **preliminary plans** have been **approved**, submit a “**Notice of Intent**”, along with a copy of a 1:50,000 scale map, to all the agencies* that SEM identifies on the preliminary plans for their signature. The map must clearly indicate the location of the proposed seismic exploration, the proposed survey lines, the program name, and the location of any shot holes. The company must also negotiate with private landowners for the right to access their land.

*These agencies include: SaskTel; TransGas Ltd; TransCanada PipeLines; Foothills PipeLines; Saskatchewan Highways and Transportation; SaskEnergy; SaskPower; SAF; SERM; applicable RMs/Urban Municipalities, The Prairie Farm Rehabilitation Administration (PFRA), and Indian Reserves.

- After the agency has signed the “**Notice of Intent**”, the exploration licence holder must send one copy to SEM to be placed on the program file.
 - Field operations cannot commence until all notices have been signed and copies submitted to SEM. However, these agencies may have restriction attachments on the program, and could direct the company to contact additional agencies at their discretion.

- Deal with any land restrictions, and resolve any conflicts with the above agencies. The other three provincial regulators for seismic exploration (MAH, SERM and SAF) have their own conditions, which companies wishing to conduct seismic exploration must follow. **These are explained next:**

Municipal Affairs and Housing (MAH)

The department is responsible for administering *The Heritage Property Act*, and in so doing, reviews oil and gas projects to determine their potential effects on heritage sites. MAH may require a heritage resource impact assessment to assess a project’s potential impact, and may require a proponent to carry out any further conservation, protection, or emergency salvage work that may be deemed appropriate.

The studies must be carried out by qualified heritage contractors under an investigation permit issued by MAH. There is no fee for these permits. Once MAH is satisfied with the result of the assessment, they will advise the company, in writing, that there are no further heritage issues, and that the company may proceed with the exploration project.

The seismic company must submit a 1:50,000 NTS series map and a “Notice of Intent” to the rural municipality. The company can be required to pay for any damage to a road or to pay for any clean-up after the operation. A bond may also be required of the company by the RM to ensure that any remedial work will be done.

Saskatchewan Environment and Resource Management (SERM) and Saskatchewan Agriculture and Food (SAF)

Notices of Intent for all seismic projects are submitted to the regional offices of SERM. Only projects which affect Crown agricultural land should be submitted to SAF's regional offices.

SERM will review the proposal under:

- *The Environmental Assessment Act*;
- *The Wildlife Habitat Protection Act*;
- *The Fisheries Act*;
- *The Forest Resource Management Act*;
- *The Provincial Lands Act*;
- *The Environmental Management and Protection Act*; and
- *The Wildlife Act*.

If the project falls on land administered by SAF, it is reviewed under The *Provincial Lands Act*.

The regional offices of SERM, and where applicable SAF, review the "Notice of Intent". If the work is proposed within a sensitive area or is extensive, or otherwise raises significant environmental concerns, SERM may request additional information such as a Project Proposal (see page 6) or an EPP.

SERM conducts an environmental review of the Notice of Intent. If more detailed review is not required, SERM follows one of three processes:

- **On SERM-administered land**, SERM issues a permit for seismic exploration with appropriate conditions.

- **On private land**, SERM issues a letter outlining their environmental concerns (if any).
- **On SAF-administered land**, SERM provides SAF with a list of conditions to be included in SAF's authorization of the project.

SERM's turnaround time for a permit (SERM-administered land), a letter (private land), or notification to the appropriate SAF regional office, is ten working days; however, the average is less than five working days.

If the proposal involves SAF-administered land, the company must get approval from SAF to proceed. SERM and SAF reviews happen simultaneously and SAF's approval includes SERM's conditions regarding wildlife habitat and other environmental issues. However, final Crown authority will be received from SAF and they will not give final approval until hearing from SERM.

If the Crown land administered by SAF is under a lease or sale agreement, companies conducting seismic work must also negotiate compensation for right of entry, adverse affects, nuisance and productivity loss with the lessee.

If the land **is not under** lease or sale agreement, companies conducting seismic work must obtain approval from SAF prior to entry.

Once the company has dealt with all the agencies (including MAH, SERM and SAF), and the program has been approved, the company may:

- **Cancel the seismic program** and submit a “Notice of Cancellation” to the RMs and SEM. The notice will inform the RMs and SEM of the cancellation date, the program number and name, the seismic contractor, and the exploration licence number.
- **Make revisions to the seismic program.** Any revisions which occur after the program has been approved must be submitted along with a new program map to SEM for approval. The company must show the revision number, the approved program name and number, and the new or deleted lines highlighted on the map.
 - If the **revisions are approved**, the company must also notify all the agencies previously listed on the approved Preliminary Plan of the revisions. The company must also inform private land owners or Crown lessees, as well as any additional agencies which may be identified as a result of the revisions.
 - If the **revisions are denied**, the company may address any issues identified by SEM and re-submit its revisions to SEM for approval.
- **Commence field operations.**

Once the company has completed its field operations it submits:

- A “**Notice of Completion of Seismic Operations**” must be submitted to the RMs within 72 hours of completion of field operations. The form has to be signed by the administrator of the RM. The exploration licence holder will

forward a copy to SEM to place on the program file.

- A “**Final Report of Seismic Exploration**” must be submitted, along with one copy of the final shot point map and ground elevations, to SEM within 60 days of completion of field operations. The seismic contractor who performed the field operations is responsible for submitting the final report to SEM. If SEM has not received a final report by April 1 of the year following the one in which the program was approved, SEM will not approve any further plans submitted under that exploration licence until the delinquent “Final Plans” have been received and approved.

APPENDIX A

SCHEDULE OF APPLICABLE FEES

| Department | Description | Act/Regulation | Amount (\$) |
|------------------------------------|--|---|------------------------------|
| SEM | Application for a licence to drill a well | <i>The Oil and Gas Conservation Regulations, 1985</i> | 450 |
| | Seismic Exploration Licence (five year) | <i>The Seismic Exploration Regulations, 1999</i> | 250 |
| | Explosive Permits (five year) | <i>The Seismic Exploration Regulations, 1999</i> | 50 |
| MAH | Subdivision Application (may be required for a flowline easement) | <i>The Subdivision Regulations</i> | 100 |
| SERM | Permits: | <i>The Resource Land Amendment Regulations, 1997</i> | |
| | 1. Work Authorization Permit | | 25 |
| | a. First year Development Fee | | 1,250/hectare |
| | b. Annual Surface Rental charge | | |
| | - up to 1.21 hectares | | 1,250/hectare |
| | - subsequent hectares | | 400/hectare |
| | - minimum charge | | 1,012/hectare |
| | c. Access Roads (1 st yr dev. Fee) | | |
| | - up to 1.21 hectares | | 1,050/hectare |
| | - subsequent hectares | | 670/hectare |
| | - existing trail | | 270/hectare |
| | d. Access Roads, Annual Surface Rental Charge | | |
| | - up to 1.21 hectares | | 580/hectare |
| | - subsequent hectares | | 400/hectare |
| | e. Annual Surface Restoration Fee | | 50% of surface rental charge |
| 2. Seismic Exploration Work Permit | 450/hectare | | |
| 3. Temporary Work Space Permit | 625/hectare | | |
| Leases | | | |
| 1. First year Development Fee | 1,250/hectare | | |
| 2. Annual Surface Rental charge | | | |
| - up to 1.21 hectares | 1,250/hectare | | |
| - subsequent hectares | 400/hectare | | |
| - minimum charge | 1,012/hectare | | |
| 3. Annual Multiple Well Head Fee | 100/head | | |

| Department | Description | Act/Regulation | Amount (\$) | |
|---|--|--|--|--|
| SERM (cont'd) | 4. Access Roads, (1 st yr dev. Fee) - up to 1.21 hectares - subsequent hectares - existing trail | | 1,050/hectare 670/hectare 270/hectare | |
| | 5. Access Roads, Annual Surface Rental - up to 1.21 hectares - subsequent hectares | | 580/hectare 400/hectare | |
| | 6. Annual Surface Restoration Fee | | 50% of annual surface rental | |
| | Easements | | | |
| | 1. Access Roads (1 st yr dev. Fee) - up to 1.21 hectares - subsequent hectares - existing trail | | 1,050/hectare 670/hectare 270/hectare | |
| | 2. Access Roads, Annual Surface Rental - up to 1.21 hectares - subsequent hectares | | 580/hectare 400/hectare | |
| | 3. Easements, other than roads - one time or first annual fee - annual fee, subsequent years | | 1,250/hectare 775/hectare | |
| | 4.. Annual Surface Restoration Fee | | 50% of annual surface rental | |
| | Work Permit | | <i>The Forest Resource Management Act</i> | 50 |
| | SAF | | 1. First Year Development Fee - cultivated land - pasture Land | <i>The Provincial Lands Regulations.</i> |
| 2. Annual Surface Lease Rental - cultivated land i. first 3 acres ii. each subsequent acre - pasture land i. first 3 acres ii. each subsequent acre | | 597/acre 209/acre 506/acre 162/acre | | |
| 3. Multiple Well Heads | | 100/head | | |
| 4. Access roads (1 st yr. Dev.) - cultivated land i. first 3 acres ii. each subsequent acre iii. existing trail - pasture land i. first 3 acres ii. each subsequent acre iii. existing trail | | 530/acre 332/acre 110/acre 425/acre 271/acre 110/acre | | |
| SAF | | | | |

| Department | Description | Act/Regulation | Amount (\$) |
|-------------------|--|-----------------------|--------------------|
| (cont'd) | 5. Access Roads, Annual Surface Rental | | |
| | - cultivated land | | |
| | i. first 3 acres | | 304/acre |
| | ii. each subsequent acre | | 209/acre |
| | - pasture land | | |
| | i. first 3 acres | | 235/acre |
| | ii. each subsequent acre | | 162/acre |
| | 6. Easements (one time charge) | | |
| | - cultivated land | | 547/acre |
| | - pasture land | | 506/acre |
| | 7. Temporary Work Space | | |
| | - cultivated land | | 273.50./acre |
| | - pasture land | | 253/acre |
| | Seismic Work | | |
| | - cultivated land | | 700/mile |
| | - pasture land | | 400/mile |
| | - access only | | 300/mile |

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