BILL

No. 77

An Act to amend *The Mineral Resources Act, 1985* and to make consequential amendments to certain Acts

(Assented to)

HIS 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 Mineral Resources (Miscellaneous) Amendment Act, 2026*.

SS 1984-85-86, c M-16.1 amended

2 *The Mineral Resources Act, 1985* is amended in the manner set forth in this Act.

Section 2 amended

3 Subsection 2(1) is amended:

(a) by repealing clauses (a) and (a.1) and substituting the following:

"(a) **'affected person'** means, except in Part 2, the registered owner of a mineral title or an uncertified mineral title;

"(a.1) **'carbon dioxide sequestration right'** means the rights or interests in a subsurface reservoir in relation to any of the following activities:

(i) exploring for or assessing the viability of a subsurface reservoir for carbon dioxide sequestration;

(ii) conducting research in relation to or demonstrating the use of carbon dioxide sequestration technologies;

(iii) permanently storing captured carbon dioxide or other substances in a subsurface reservoir for the purposes of carbon dioxide sequestration;

(iv) any other prescribed activities;

"(a.2) **'court'** means the Court of King's Bench;

"(a.3) **'Crown'** means the Crown in right of Saskatchewan**";**

(b) by adding the following clause before clause (e):

"(d.1) **'disposition'** means the rights granted by the Crown under a lease or other instrument issued pursuant to this Act and *The Crown Minerals Act* by which the Crown grants to a person any right or privilege to use, explore for or develop mineral resources, or any other right to or interest in mineral resources**";**

(c) by repealing clause (g) and substituting the following:

"(g) **'mineral resource'** means any mineral deposit or subsurface resource that may be found, contained in or utilized on, in or under any lands in Saskatchewan, including without limitation any reservoir of oil, gas, or oil and gas, any ore body containing any mineral, and any pore space, subsurface formation or structure**";**

(d) by adding the following clause after clause (h.1):

"(h.2) **'pore space'** means all pores, voids, cavities or other natural or artificially created openings beneath the surface of the earth regardless of their existence or co-existence with minerals or other subsurface geological phenomena**";**

(e) by repealing clause (j.1) and substituting the following:

"(j.1) **'sequestration'** means permanent disposal;

"(j.2) **'storage rights'** means the right to use pore space for the temporary storage of a substance that is intended to be recovered, withdrawn or produced at a later time;

"(j.3) **'subsurface cavern'** means a subsurface space created as a result of operations for the recovery of a mineral;

"(j.4) **'subsurface reservoir'** means the pore space within an underground formation or a subsurface cavern;

"(j.5) **'uncertified mineral title'** means an uncertified mineral title as defined in *The Land Titles Act, 2000*"**; and**

(f) in clause (k) in the portion preceding subclause (i) by adding ", except in Part 4.1**" after "**means**".**

Section 3 amended

4 The following clause is added after clause 3(b):

"(b.1) subject to section 3.94, all pore space in Saskatchewan**".**

Section 3.2 amended

5 Subsection 3.2(1) is amended by striking out "Parts IV and V of *The Oil and Gas Conservation Act*" **and substituting "**Part 4.1**".**

Section 3.91 amended

6 Subsection 3.91(1) is amended by striking out "No action**" and substituting "**Without limiting the generality of section 9.1, no action**".**

New Parts 2.1 and 2.2

7(1) The following Part is added after Part 2:

"PART 2.1

Pore Space Ownership and Rights to Use of Pore Space

"Definition for Part

3.911 In this Part, **'regulatory approval'** means an approval for a sequestration undertaking issued:

(a) by the minister pursuant to subsection 17(1) of *The Oil and Gas Conservation Act*; or

(b) in any other prescribed manner.

"Pore space vested in Crown

3.92(1) No grant from the Crown of any land in Saskatchewan, or of any mines or minerals in any land in Saskatchewan, operates, has operated or will operate as a conveyance of title to the pore space below the surface of any land in Saskatchewan.

(2) The pore space below the surface of all land in Saskatchewan is vested in and is the property of the Crown and remains the property of the Crown whether or not:

(a) any person other than the Crown has an estate or interest in the land or in the minerals in the subsurface of the land; or

(b) any mineral or water is produced, recovered, or extracted from the subsurface of the land.

(3) The reservation and exception of pore space pursuant to this section is deemed to be and always to have been a reservation and exception contained in an original grant of land in Saskatchewan for the purposes of section 18 of *The Land Titles Act, 2000*.

(4) It is deemed for all purposes, including for the purposes of *The Expropriation Act* and *The Expropriation Procedure Act*, that no expropriation occurs as a result of the enactment of this section.

(5) For greater certainty, nothing in this Part shall be interpreted as restricting or otherwise affecting:

(a) a surface owner's use of shallow subsurface formations for agricultural, water management, environmental, infrastructure or other lawful purposes; and

(b) a mineral owner's reasonable use of pore space, including for enhanced oil recovery, pressure maintenance, the recovery of minerals or activities reasonably necessary for those purposes that are authorized pursuant to any other Act, but not including the disposal of produced water, waste or by-products.

"Compensation

3.93(1) No compensation is payable by the Crown, and no person has a right of action or shall commence or maintain proceedings, by reason only of:

(a) the vesting of pore space in the Crown;

(b) the use or occupation of pore space pursuant to this Act; or

(c) the exercise of any right granted pursuant to this Act and *The Crown Minerals Act*.

(2) For greater certainty, nothing in this section limits or extinguishes any rights that a person may otherwise have to bring a claim with respect to damage arising from activities carried out lawfully in accordance with this Act and any other Act, including claims in negligence, nuisance or trespass.

(3) For the purposes of subsection (2), compensation is only payable pursuant to this section with respect to a claim for a loss related to mineral resources, if that loss:

(a) is directly caused by carbon dioxide sequestration; and

(b) either:

(i) has a material adverse effect on an existing subsurface operation; or

(ii) is reasonably foreseeable.

(4) For greater certainty, subsection (3) does not apply to a claim for damage or loss that is not related to mineral resources, including damage to land, improvements, water sources, crops, livestock or other personal or real property.

(5) For the purposes of subsection (3), a loss is reasonably foreseeable only if, at the time of regulatory approval, the resource was capable of near-term commercial development that:

(a) uses established technology; and

(b) is supported by objective evidence of active development.

(6) For the purposes of subsection (3), no compensation is payable for losses that, at the time of regulatory approval, are primarily dependent on future economic conditions, technological advancements or speculative development.

"Exclusion

3.94(1) This Part does not apply to land for which the Crown in right of Canada has title or is otherwise the owner.

(2) Nothing in this Part affects the obligations and undertakings of Saskatchewan mentioned in subsection 3(4) of *The Crown Minerals Act*.

"Right to work through pore spaces and other minerals

3.95(1) Subject to subsection 3.99(1), any person who has the right to any mineral or the right to work it pursuant to this Act, *The Crown Minerals Act* or any other Act may work through a pore space and any other mineral in the same tract to the extent necessary to obtain the person's mineral, without permission from or compensation to any other person for the right to work through the pore space or the other mineral, subject to this Act and the provisions of any other Act affecting the exercise of that right.

(2) Subject to subsection 3.99(1), any person who has storage rights with respect to a subsurface reservoir may work through a pore space and any mineral in the same tract to which the storage rights relate to the extent necessary to exercise those storage rights, without permission from or compensation to any other person for the right to work through the pore space or that mineral, subject to this Act and the provisions of any other Act affecting the exercise of that right.

(3) Subject to subsection 3.99(1), a person who has sequestration rights may work through a pore space and any mineral in the same tract to which the sequestration relates to the extent necessary to exercise the rights granted in the applicable agreement, without permission from or compensation to any other person for the right to work through the pore space or that mineral, subject to this Act and the provisions of any other Act affecting the exercise of that right.

"Minister to issue disposition for use of pore space

3.96(1) The minister may issue, amend or cancel dispositions with respect to the use of pore space, including, without limitation, for the purposes of carbon dioxide sequestration or sequestration generally, in accordance with this Act and *The Crown Minerals Act*.

(2) No carbon dioxide sequestration right shall be granted to or acquired by any person except under a disposition issued by the minister pursuant to this Act and *The Crown Minerals Act*.

(3) The minister may not issue dispositions with respect to the use of pore space if, in the minister's opinion, the proposed project is likely to cause a material adverse effect on the recovery or conservation of mineral resources.

(4) For greater certainty, a material adverse effect mentioned in subsection (3) does not include any impact on:

(a) unproven, speculative or hypothetical mineral resources; or

(b) mineral resources whose development depends primarily on future changes in commodity prices, technology or market conditions.

"Notice of disposition application for use of pore space

3.97(1) On the receipt of an application for disposition for use of pore space, the minister shall give a public notice of the application and, in accordance with section 8.2, give a notice of the application to every affected person in the area specified in the application.

(2) Any affected person may, within 30 days after the date on which the notice is received, make written representations respecting the application.

(3) For greater certainty, this section does not limit or replace any requirement for consultation or notification applicable to a regulatory approval pursuant to this Act or any other Act.

(4) Notwithstanding subsection (1), the minister may not be required to provide notice pursuant to this section if:

(a) a regulatory approval has been obtained; and

(b) the minister is satisfied that reasonable consultation with affected persons has been carried out.

"Rights associated with the pore space disposition

3.98(1) Any disposition issued pursuant to subsection 3.96(1) does not include a right of entry to the surface of any land.

(2) A holder of a disposition issued pursuant to subsection 3.96(1), with the approval of the minister and the consent of any affected person, may extract and remove mineral samples from the disposed lands for the purposes of analyzing and testing the samples for the purpose of mineral conservation.

(3) The extraction, removal, analysis and testing of mineral samples pursuant to subsection (2) does not grant any right to explore for, develop, produce, recover or sell minerals, or any preferential right to obtain a mineral right.

(4) On the request of the minister and with the consent of any affected person, the holder of a disposition issued pursuant to subsection 3.96(1) shall provide the minister with seismic evaluations, core samples and analyses, fluid or gas samples and analyses and any other geological information necessary to assess recoverable mineral resources.

"Good practices required

3.99(1) No person shall:

(a) materially adversely affect other mineral resource development operations; or

(b) in any manner cause:

(i) damage to public or private property; or

(ii) inconvenience or nuisance.

(2) The minister may, subject to the regulations, refund all or any portion of the rent if the holder of a disposition issued pursuant to subsection 3.96(1) enters into an agreement with affected persons with respect to the practices mentioned in subsection (1), which may include:

(a) acknowledging the risk of limitation on mining or extracting a mineral;

(b) a joint development plan; or

(c) other evidence satisfactory to the minister.

(3) Any refund made pursuant to subsection (2) shall:

(a) be calculated on a proportionate area basis corresponding to the affected party's interest in the area that is the subject of the agreement mentioned in subsection (2); and

(b) not exceed the total annual rent paid by the holder that is attributable to the affected party's interest as determined pursuant to clause (a).

"Continuation of existing rights to use pore space

3.991(1) Any of the following that are in existence immediately before the date on which this Part comes into force remain in force and in effect until termination, cancellation or expiry as provided for in the applicable instrument or in accordance with applicable law:

(a) dispositions for the use of pore space;

(b) Crown dispositions that include rights to the use of pore space;

(c) contractual agreements that include the rights to the use of pore space between parties that are not the Crown.

(2) For the purposes of subsection (1), any instrument mentioned in clause (1)(a), (b) or (c) includes any renewal or extension of that instrument made in accordance with a right, option or renewal mechanism contained in the instrument as it existed immediately before the day on which this Part comes into force.

(3) For greater certainty, while any instrument mentioned in clause (1)(b) or (c), including any renewal or extension described in subsection (2), remains in force, no rental, fee or other amount is payable to the Crown pursuant to this Part and *The Crown Minerals Act* with respect to the pore space that is subject to that instrument, unless the instrument is terminated, cancelled or expires in accordance with its terms or applicable law.

(4) Subsections (1) to (3) do not apply to an amendment, renewal or extension made after the day on which this Part comes into force that purports to expand the area of pore space subject to the instrument or that extends the term of the instrument other than pursuant to a right, option or renewal mechanism as described in subsection (2).

(5) After the instrument mentioned in clause (1)(a), (b) or (c) ceases to be in force and effect, the minister may issue dispositions with respect to the use of the relevant pore spaces in accordance with section 3.96.

"Storage rights

3.992(1) Subject to subsection (2):

(a) if a person owns the title to petroleum and natural gas in any land, that person is the owner of the storage rights with respect to every underground formation within that land; and

(b) if one person owns the title to petroleum in any land and another person owns the title to natural gas in the same land, those persons are co-owners of the storage rights with respect to every underground formation within that land.

(2) If a person owns the title to a mineral in any land and operations for the recovery of the mineral result or have resulted in the creation of a subsurface cavern in that land, that person is the owner of the storage rights with respect to that subsurface cavern to the extent that it lies within that land.

(3) A person who has storage rights with respect to a subsurface cavern within any land has the right to recover any substance stored in that cavern, to the exclusion of any other person having the right to recover a mineral from the same land.

(4) In subsections (1) to (3), **'person'** includes the Crown.

(5) If the Crown owns storage rights with respect to a subsurface reservoir pursuant to subsection (1) or (2), no person has, as against the Crown, any storage rights with respect to that reservoir except under a disposition issued pursuant to subsection 3.96(1) that expressly conveys storage rights with respect to that subsurface reservoir.

"Part prevails

3.9921 If there is a conflict or inconsistency between this Part and *The Crown Minerals Act*, this Part prevails to the extent of the conflict or inconsistency**".**

(2) The following Part is added after Part 2.1:

"PART 2.2
Carbon Dioxide Sequestration

"Definitions for Part

3.993 In this Part:

'captured carbon dioxide' means a fluid substance consisting mainly of carbon dioxide captured from an emissions source or the atmosphere;

'fund' means the Carbon Dioxide Sequestration Legacy Fund established pursuant to section 3.995;

'orphan facility' means a well, facility, well site or facility site declared by the minister as an orphan well, facility, well site or facility site for the purposes of this Part;

'project authorization' means an approval for a carbon dioxide sequestration project issued by the minister pursuant to clause 10.65(1)(l);

'project authorization holder' means the person to whom a project authorization is issued;

'project participant' means:

(a) a working interest participant as defined in regulations made pursuant to *The Mineral Resources Wells and Facilities Operations Act*;

(b) a holder of a disposition issued pursuant to subsection 3.96(1);

(c) a project authorization holder; or

(d) the holder of a licence or operator of a well or facility licensed pursuant to *The Mineral Resources Wells and Facilities Operations Act*.

"Minister may request information

3.9931 The minister may, in accordance with the regulations, request information from a holder of a disposition issued pursuant to subsection 3.96(1) as a condition of acquiring a project authorization.

"Prohibition

3.994 No person may inject captured carbon dioxide into a subsurface reservoir unless the injection is conducted in accordance with a project authorization, the regulations and any orders or directives made pursuant to:

(a) this Act; or

(b) *The Mineral Resources Wells and Facilities Operations Act*.

"Assumption of liability

3.9941(1) Subject to the regulations, the minister may, on the issuance of an instrument indicating regulatory closure pursuant to clause 10.65(1)(l), assume ownership of the captured carbon dioxide injected pursuant to a project authorization.

(2) Subject to subsection (4), if the minister assumes ownership of the captured carbon dioxide pursuant to subsection (1), the Crown assumes all obligations of the project authorization holder:

(a) as owner, operator and licensee pursuant to *The Mineral Resources Wells and Facilities Operations Act* of the wells and facilities that are subject to the project authorization; and

(b) as a person responsible for the captured carbon dioxide injected pursuant to a project authorization, or otherwise at law.

(3) The minister shall indemnify a project participant against liability for damages in an action in tort brought by another party if:

(a) the liability is attributable to an act done or omitted to be done in good faith by the project participant while the project authorization was in effect; and

(b) any other prescribed conditions are met.

(4) Notwithstanding subsections (2) and (3), the project authorization holder is liable for damages arising from misconduct or negligence on the part of the project authorization holder.

(5) If the project authorization holder ceases to exist before the issuance of an instrument indicating regulatory closure as mentioned in subsection (1), the minister may, in accordance with the regulations, assume ownership of the:

(a) captured carbon dioxide injected pursuant to that project authorization; and

(b) orphan facilities that are the subject of that project authorization.

"Carbon Dioxide Sequestration Legacy Fund

3.995(1) The Carbon Dioxide Sequestration Legacy Fund is established.

(2) Subject to subsection (5) and the regulations, the primary purposes of the fund are to provide financing to:

(a) support the long-term monitoring of the behaviour of captured carbon dioxide that has been injected pursuant to a project authorization;

(b) fulfil any obligations assumed by the minister pursuant to section 3.9941;

(c) pay for suspension, abandonment, reclamation or remediation costs relating to orphan facilities;

(d) pay the expenses of administering the fund; and

(e) support any other activities the minister considers appropriate.

(3) Fees must be paid by a project authorization holder into the fund in accordance with the regulations.

(4) To discharge the minister's responsibilities towards orphan facilities in accordance with this Part, security required and accepted by the minister pursuant to section 2-10 of *The Mineral Resources Wells and Facilities Operations Act* for wells and facilities relating to a project authorization may be deposited into the fund in accordance with the regulations.

(5) The minister shall administer the fund in accordance with this Part and may use money from the fund for any prescribed purpose.

(6) The fiscal year of the fund is the period commencing on April 1 of one year and ending on March 31 of the following year.

"Deposit of moneys in the fund

3.996 Notwithstanding *The Financial Administration Act, 1993*, the following shall be deposited into the fund and not into the general revenue fund:

(a) payments pursuant to a letter of credit or other form of security pursuant to section 2-10 of *The Mineral Resources Wells and Facilities Operations Act* with respect to wells and facilities relating to a project authorization;

(b) fees paid pursuant to subsection 3.995(3).

"Investments from the fund

3.997(1) The Minister of Finance may invest any money from the fund in any investments that are authorized in *The Financial Administration Act, 1993* as investments for the general revenue fund.

(2) Profits or interest earned on money invested pursuant to subsection (1) shall be deposited to the fund.

(3) The Minister of Finance may dispose of any securities in which any part of the fund has been invested pursuant to subsection (1), subject to the terms of the investment, in any manner and on any terms that the Minister of Finance considers appropriate.

"Audit of the fund

3.998 The Provincial Auditor or any other auditor or firm of auditors that the Lieutenant Governor in Council may appoint shall audit the accounts and financial statements of the fund:

(a) annually; and

(b) at any other times that the Lieutenant Governor in Council may require.

"Annual report

3.9981(1) In each fiscal year, in accordance with section 13 of *The Executive Government Administration Act*, the minister shall cause to be prepared:

(a) a report on the business of the fund for the preceding fiscal year; and

(b) a financial statement showing the business of the fund for the preceding fiscal year, in any form that may be required by Treasury Board.

(2) In accordance with section 13 of *The Executive Government Administration Act*, the minister shall lay before the Legislative Assembly the report and financial statement prepared by the minister pursuant to this section.

"Regulations for Part

3.999(1) For the purposes of this Part, the Lieutenant Governor in Council may make regulations:

(a) defining, enlarging or restricting the meaning of any word or expression used in this Part but not defined in this Part;

(b) respecting the minister's assumption of liability for captured carbon dioxide for the purposes of subsections 3.9941(1) and (5);

(c) respecting the administration of the fund;

(d) prescribing the purposes for which money from the fund may be used and authorizing the minister to carry out those purposes and to determine when money from the fund may be used for those purposes;

(e) if payment pursuant to a letter of credit or other form of security is made in favour of the minister, authorizing the minister to deposit the payment or a portion of the payment in the fund;

(f) establishing fees to be paid and deposited in the fund, determining who is required to pay those fees and providing for their collection;

(g) respecting the allocation and payment of all or any part of the administration costs of the fund from the fund;

(h) prescribing any matter or thing required to be authorized by this Part to be prescribed in the regulations;

(i) respecting any other matter or thing that the Lieutenant Governor in Council considers necessary to carry out the intent of this Part.

(2) Any regulation made pursuant to this Part may be made retroactive to a date that must not be earlier than 2 years before the date on which it is made**".**

Section 3.911 amended

8 Clause 3.911(a) is amended by striking out "subsection 17(1) of *The Oil and Gas Conservation Act*" **and substituting "**clause 10.65(1)(l)**".**

Section 8.1 amended

9 Clause 8.1(8)(d) is amended by striking out "*The Oil and Gas Conservation Act***" and substituting "**Part 4.1**".**

Section 9 amended

10 Section 9 is amended:

(a) by adding the following clauses after clause (k):

"(k.1) prescribing other activities for the purposes of the definition of 'carbon dioxide sequestration right';

"(k.2) for the purposes of the definition of 'regulatory approval' in section 3.911, prescribing manners by which approvals for sequestration undertakings are issued;

"(k.3) for the purposes of subsection 3.99(2), respecting refunds of rent if an applicant enters into an agreement with affected persons**"; and**

(b) by repealing clause (o) and substituting the following:

"(o) empowering the minister to order, for the purpose of enquiring into any matter, an inquiry or investigation considered by the minister to be necessary or advisable for the administration of this Act or the regulations**".**

New section 9.1

11(1) The following section is added after section 9:

"Immunity

9.1 No action or proceeding lies or shall be commenced against the Crown, the minister, the ministry or any employee or agent of the ministry if that person is acting pursuant to the authority of this Act, the regulations or any order made pursuant to this Act, for anything in good faith done, caused or permitted or authorized to be done, attempted to be done or omitted to be done by that person or by any of those persons pursuant to or in the exercise or supposed exercise of any power conferred by this Act, the regulations or any order made pursuant to this Act or in the carrying out or supposed carrying out of any order made pursuant to this Act or any duty imposed by this Act, the regulations or any order made pursuant to this Act**".**

(2) Section 9.1 is repealed and the following substituted:

"Immunity

9.1 No action or proceeding lies or shall be commenced against the Crown, the minister, the ministry or any employee or agent of the ministry if that person is acting pursuant to the authority of this Act, the regulations or any order or directive made pursuant to this Act, for anything in good faith done, caused or permitted or authorized to be done, attempted to be done or omitted to be done by that person or by any of those persons pursuant to or in the exercise or supposed exercise of any power conferred by this Act, the regulations or any order or directive made pursuant to this Act or in the carrying out or supposed carrying out of any order made pursuant to this Act or any duty imposed by this Act, the regulations or any order or directive made pursuant to this Act**".**

New Part 3.1

12 The following Part is added after section 10:

"PART 3.1
Seismic Exploration

"Definition for Part

10.01 In this Part, **'seismic exploration'** means the use of artificially generated seismic waves for any of the following purposes:

(a) searching for structures that are favourable to minerals, oil or gas;

(b) defining subsurface geological formations;

(c) conducting geophysical operations for the purpose of obtaining data.

"Right of entry required

10.02 Subject to section 10.03 and the regulations, no person shall conduct any seismic exploration on lands without the consent of the owner of those lands.

"Minister's orders re seismic exploration

10.03(1) If landowner consent pursuant to section 10.02 cannot be obtained, a person may apply to the minister for an order to allow seismic exploration if it is necessary to:

(a) address an imminent threat to mine safety or property or to a mineral resource in the context of a mining operation; or

(b) assess a mineral resource for the purpose of planning an expansion of an existing mine into an adjacent area in which the applicant holds the mineral rights necessary to extract or produce the mineral.

(2) An application pursuant to subsection (1) shall be made in an approved form and manner and shall include the prescribed information.

(3) Before the minister issues an order pursuant to subsection (4) to address the circumstances mentioned in clause (1)(b), the minister shall:

(a) give notice of the application to all landowners who the minister is satisfied are interested; and

(b) give those landowners an opportunity to make written submissions within the period specified by the minister.

(4) On receiving an application and on reviewing any submissions and information provided pursuant to this section, the minister may:

(a) make an order subject to any terms and conditions the minister considers appropriate; or

(b) refuse to make an order.

(5) If the minister refuses to make an order pursuant to clause (4)(b), the minister shall provide written notice of the minister's decision together with written reasons to the applicant.

"Entry on land re minister's order

10.04(1) A person who is the subject of an order issued pursuant to section 10.03 may enter on or pass over any land, whether enclosed or not, for the purposes of conducting seismic exploration.

(2) A person shall, under an order issued pursuant to section 10.03 to address a situation mentioned in clause 10.03(1)(a), give prior written notice of the person's intention to enter on or pass over the land to the landowner, unless it is impractical under the circumstances to do so.

(3) If a person who attempts to enter on or pass over any land pursuant to subsection (1) is prevented from entering on or passing over the land, that person may apply to a justice or a provincial court judge for a warrant pursuant to subsection (4).

(4) A justice or a provincial court judge may issue a warrant, if the justice or the provincial court judge is satisfied by information on oath or affirmation that there are reasonable grounds to believe that the following circumstances exist:

(a) entry to the land is necessary for the purpose set out in subsection (1);

(b) the person has been denied entry to the land mentioned in subsection (1) for the purpose set out in that subsection.

(5) A warrant issued pursuant to subsection (4) authorizes the person named in the warrant to enter the land named in the warrant to:

(a) examine or pass over the land; and

(b) carry out the activities mentioned in subsection (1).

(6) A person who enters on or passes over any land pursuant to subsection (1) shall compensate the landowner for the use of the land and for any damage to the landowner's or occupant's land or property arising directly from that entry.

"Directives

10.05(1) The minister may, by order, approve directives relating to the conduct of seismic exploration.

(2) A directive approved in accordance with subsection (1) may adopt, by reference, in whole or in part, as amended from time to time or otherwise, any relevant rule, guideline, requirement, code or standard, and may require compliance with the adopted rule, guideline, requirement, code or standard**".**

New Part 4.1

13 The following Part is added after section 10.5:

"PART 4.1
Oil and Gas Conservation

"DIVISION 1
Definitions and Interpretation

"Definitions and interpretation of Part

10.6(1) In this Part:

'drainage area' means the area allocated by the minister to one or more horizontal wells, for the purposes of drilling for and producing a mineral, and includes subsurface areas bounded by the vertical planes in which the surface boundaries lie;

'drainage unit' means the area allocated by the minister to one or more wells, excluding horizontal wells, for the purposes of drilling for and producing a mineral, and includes the subsurface areas bounded by the vertical planes in which the surface boundaries lie;

'facility' means a facility defined in the regulations made pursuant to *The Mineral Resources Wells and Facilities Operations Act*;

'field' means the general area underlaid by one or more pools;

'non-oil-and-gas substance' means a non-oil-and-gas substance as defined in regulations made pursuant to *The Mineral Resources Wells and Facilities Operations Act*;

'oil-and-gas waste' means oil and gas waste as defined in *The Mineral Resources Wells and Facilities Operations Act* and in regulations made pursuant to that Act;

'owner' means a person who has the right to produce oil or gas from a pool and appropriate the oil or gas that person produces from the pool to that person, to other persons or to that person and other persons;

'pool' means:

(a) an underground reservoir that:

(i) contains or appears to contain an accumulation of oil or gas; and

(ii) is separated or appears to be separated from any other reservoir or accumulation in the general structure;

(b) a portion of an underground reservoir described in clause (a) that is determined by the minister to be a pool for reasons of development or administration; or

(c) a group of underground reservoirs described in clause (a) that is determined by the minister to be a pool for reasons of development or administration;

'producer' means the owner of a well that is capable of producing oil or gas;

'product' means a product as defined in *The Mineral Resources Wells and Facilities Operations Act*;

'wasteful operations' means:

(a) the inefficient, excessive or improper use of, or the dissipation of, reservoir energy;

(b) the locating, spacing, drilling, equipping, completing or operating of or producing from a well in a manner that causes, or is likely to cause:

(i) a reduction in the quantity of oil or gas ultimately recoverable from a pool under prudent and proper operations and practices; or

(ii) unnecessary or excessive surface loss or destruction of oil or gas;

(c) the inefficient or improper storage of oil or gas, whether on the surface or in a subsurface formation; or

(d) the escape or the flaring of gas if, in the opinion of the minister, having regard to prudent and proper operations and practices, the gas could be gathered, processed if necessary, and the gas or the products from it marketed, stored for future marketing or beneficially injected into a subsurface formation;

'well' means a well as defined in regulations made pursuant to *The Mineral Resources Wells and Facilities Operations Act*.

(2) For the purposes of this Part, in the expressions 'oil and gas' and 'oil or gas', the word 'and' includes 'or' and the word 'or' includes 'and' **".**

"DIVISION 2
Limitation and Allocation of Production and Subsurface Resource Management

"Responsibilities of minister re regulation of wells and facilities, owner's share from pool

10.61(1) Without limiting the generality of section 10, the minister is responsible for all matters not by law assigned to any other minister, branch or agency of the Government of Saskatchewan relating to:

(a) the development, processing, utilization, protection and conservation of the oil and gas resources of Saskatchewan;

(b) the regulation of:

(i) wells and facilities for mineral resource management purposes, including primary production of minerals other than oil and gas;

(ii) the withdrawal of substances from a well for commercial, industrial or other uses, including increasing or improving oil or gas recovery or operations;

(iii) the injection and disposal of oil and gas waste and non-oil-and-gas substances into subsurface formations;

(iv) the injection, storage and withdrawal of substances into or from subsurface formations in a manner that ensures that:

(A) the substance is properly stored;

(B) the environment, property and the safety of the public are protected; and

(C) other subsurface resource uses are not unduly diminished; and

(c) allowing each owner the opportunity of obtaining that owner's share of the oil or gas from a pool.

(2) For the purposes of carrying out the minister's responsibilities pursuant to this Part, the minister may develop and approve directives, standards, rules and guidelines to:

(a) minimize waste and prevent wasteful operations; and

(b) allow the greatest possible ultimate recovery of oil and gas by prudent and proper operations and practices to be realized.

(3) Nothing in clause (1)(c) requires the minister to ensure that each owner receives the owner's precise share of the oil or gas from any pool.

(4) The minister may determine when the public interest requires that one purpose set out in subsection (1) be given priority over another.

"Wasteful operations

10.62 No person shall engage in or commit any wasteful operations.

"Allocation of production

10.63 The minister may, by order, implement a plan for the limitation and allocation of oil production if the production capacity for a type of oil exceeds the market demand or the pipeline capacity.

"One well per drainage unit

10.64 Unless otherwise ordered by the minister or authorized by the regulations, there shall be not more than one well capable of producing oil or gas per drainage unit.

"Orders and directives

10.65(1) For the purposes of this Part, the minister may make orders:

(a) respecting the establishing of:

(i) fields, pools, spacing areas or zones;

(ii) drainage units or drainage areas;

(iii) set-back distances;

(iv) target areas;

(b) respecting and limiting the number and types of wells that may exist in a drainage unit;

(c) respecting the spacing of wells;

(d) regulating, limiting and allocating production from one or more wells, blocks or areas, including but not limited to:

(i) establishing:

(A) a maximum allowable rate of production from a well, block or area; or

(B) different:

(I) maximum allowable rates of production; or

(II) methods of determining maximum allowable rates of production;

for a well, type of well, block or area; and

(ii) authorizing production according to good production practices for a well, type of well, block or area;

(e) limiting the amount of gas or water that may be produced with oil from a well or wells;

(f) limiting the production of oil from a well or wells that produce gas or water in excess of the amount of gas or water limited by an order pursuant to clause (e);

(g) respecting operations to increase or improve recovery of oil, gas or products;

(h) permitting a well to be drilled at a location other than the location specified by a regulation or an order of general application on any terms and conditions that the minister considers advisable;

(i) respecting production penalties for off-target wells or wells that contravene set-back distances established in orders pursuant to subclause (a)(iii);

(j) respecting the disposal of oil and gas waste and non-oil-and-gas substances at a well, pipeline, facility or site of a well or facility and the injection, disposal and storage of substances, oil and gas wastes and non-oil-and-gas substances in subsurface formations;

(k) classifying wells as oil and gas wells if the minister considers it necessary for the application and enforcement of this Part;

(l) authorizing, modifying or cancelling projects involving one or more wells and facilities and imposing any conditions pertaining to the projects;

(m) respecting public notification requirements in relation to matters addressed in this Part;

(n) respecting any other matter that the minister considers necessary or incidental to the carrying out of the minister's duties or the exercising of the minister's powers pursuant to this Part or the regulations made pursuant to this Part.

(2) The minister may, by order, approve directives with respect to any of the matters mentioned in subsection (1).

(3) A directive approved in accordance with subsection (2) may adopt, by reference, in whole or in part, as amended from time to time or otherwise, any relevant rule, guideline, requirement, code or standard, and may require compliance with the adopted rule, guideline, requirement, code or standard.

(4) In the event of a conflict between:

(a) an order made pursuant to subsection (1); or

(b) a directive approved pursuant to subsection (2);

and a regulation made pursuant to section 10.9, the order prevails.

(5) The holder of a licence issued pursuant to *The Mineral Resources Wells and Facilities Operations Act* shall comply with orders and directives made pursuant to this section.

(6) All subsisting orders issued by the minister pursuant to *The Oil and Gas Conservation Act* before the coming into force of this Part are continued and may be dealt with as if they were issued pursuant to this Part.

"DIVISION 3
Pooling of Oil and Gas Rights

"Pooling of interests in drainage unit or drainage area

10.7(1) If 2 or more separately owned tracts are located within a drainage unit or drainage area, or if there are separately owned interests in all or part of a drainage unit or drainage area, the owners of those tracts or interests may pool their interests for the development and operation of the drainage unit or drainage area.

(2) In the absence of voluntary pooling, any person who the minister is satisfied is interested may apply to the minister for an order directing that all interests in a drainage unit or drainage area be pooled for the development and operation of the drainage unit or drainage area.

(3) An application pursuant to subsection (2) must be made in the manner specified by the minister and be accompanied by:

(a) a proposed pooling plan containing the terms and provisions that the applicant desires to have included in a pooling order; and

(b) a statement setting out the reasons why voluntary pooling cannot be effected.

(4) Before the minister makes a decision pursuant to this section, the minister shall:

(a) give notice of the application to all parties who the minister is satisfied are interested; and

(b) give those parties an opportunity to make written submissions within the period specified by the minister.

(5) The applicant shall provide the minister with any other information or material that the minister may require.

(6) On receipt of an application pursuant to subsection (2) and on reviewing any submissions and materials provided pursuant to this section, the minister may:

(a) make an order, subject to any terms and conditions that the minister considers appropriate, pooling all interests within the drainage unit or drainage area for the development and operation of the drainage unit or drainage area; or

(b) refuse to make an order.

(7) If the minister refuses to make an order pursuant to clause (6)(b), the minister shall provide written notice of the minister's decision together with written reasons to the applicant and to any party who made submissions.

(8) An order issued pursuant to clause (6)(a) is to contain any matters that are specified in the regulations.

"Recovery of costs from owner who refuses to pool

10.71 If an owner refuses to pool the owner's interest, the owner's portion of the costs of drilling and operation including any surcharge, as provided for in the pooling order, shall be recoverable only out of that owner's share of production.

"Effect of pooling order

10.72 If a drainage unit or drainage area is covered by a pooling order:

(a) operations incidental to the drilling of a well in any portion of the drainage unit or drainage area are for all purposes deemed to be operations carried on or conducted by the several owners respectively on their separately owned tracts in the drainage unit or drainage area; and

(b) that portion of the production allocated to each tract is deemed to have been produced from the tract by a well drilled on that tract.

"Amendment or cancellation

10.73(1) If an application is made to the minister by a person who the minister is satisfied is an interested person, the minister may amend or cancel the pooling order.

(2) Section 10.7 applies, with any necessary modification, to an application to amend or cancel the pooling order.

"DIVISION 4
Unit Operation

"Recommendation of minister

10.8(1) On the minister's own motion or on the application of any person who the minister is satisfied is interested, the minister may review the motion or application to consider the need for the operation as a unit of an entire field or pool or a portion of a field or pool.

(2) An application made pursuant to subsection (1) must be made in the manner specified by the minister and be accompanied by a proposed plan of unit operation containing the terms and provisions that the applicant desires to have included in a unit operation order.

(3) Before the minister makes a recommendation pursuant to this section, the minister shall:

(a) give notice of the proposed application to all parties who the minister is satisfied are interested; and

(b) give those parties an opportunity to make written submissions within the period specified by the minister.

(4) The applicant shall provide the minister with any other information or material that the minister may require.

(5) Following the review, the minister may:

(a) recommend that the field or pool or a portion of the field or pool be operated as a unit; or

(b) refuse to recommend that the field or pool or portion of the field or pool be operated as a unit.

(6) If the minister refuses to recommend that the field or pool or portion of the field or pool be operated as a unit, the minister shall provide written notice of the minister's decision together with written reasons to the applicant, if any, and to any party who made submissions.

"Order of the Lieutenant Governor in Council for unit operation

10.81(1) On the recommendation of the minister, the Lieutenant Governor in Council may order that the field or pool or portion of the field or pool be operated as a unit.

(2) An order made pursuant to subsection (1) is to contain any matters that are specified in the regulations.

"Property held by operator as trustee

10.82(1) All property acquired by the operator for the purpose of conducting the unit operation under a unit operation order shall be held by the operator as trustee and agent for and on behalf of the owners of the working interests as those interests may appear under the unit operation plan.

(2) The order providing for unit operation shall be construed as an operating arrangement and shall not be construed as affecting or transferring title to the property or entitling an owner of a separately owned tract to an undivided interest in all tracts included in the unit area.

"Powers and duties of operator

10.83(1) The operator under a unit operation order shall exercise generally all the powers incidental to the proper conduct and management of the unit operation.

(2) The operator under a unit operation order may contract and may sue and be sued in the operator's own name with respect to the duties, functions and powers imposed or conferred on the operator by or pursuant to this Act.

"Operations not in accordance with unit operation order prohibited

10.84 On and after the date on which a unit operation order comes into force, and while the order remains in force, no person shall carry on any operations within the unit area described in the order for the purpose of drilling for or producing oil or gas except in accordance with the order.

"Change to unit operation order

10.85(1) An order made pursuant to section 10.81 may provide for a review by the minister on the application of any interested party on or after a future date specified in the order.

(2) On the recommendation of the minister following a review mentioned in subsection (1), the Lieutenant Governor in Council may:

(a) amend or revise a unit operation order in order to address any deficiency in the order or to meet changing conditions;

(b) alter or revoke any provision in the unit operation order that the minister considers to be unfair or inequitable; and

(c) add any area that the minister believes to be underlaid by the pool or one of the pools underlying the unit area to the unit area described in the unit operation order.

"Unit area may include previously established unit area

10.86(1) An order made pursuant to section 10.81 may provide that the unit area established by the order includes a unit area established by a previous order or agreement for unit operation.

(2) The order, in providing for allocation of unit production from the unit area, shall first treat the previously established unit area as a single tract, and the portion of unit production allocated to the previously established unit area shall then be allocated among the separately owned tracts included in the previously established unit area in the same proportions as those specified in the previous order or agreement for unit operation.

"Effect of unit operation order

10.87(1) The portion of unit production allocated to a separately owned tract under a unit operation order is for all purposes deemed to have been actually produced from that tract.

(2) Operations conducted pursuant to a unit operation order are for all purposes deemed to be operations carried on or conducted for the production of oil and gas from each separately owned tract in the unit area in the fulfilment of:

(a) all the express or implied obligations of the owner of the tract or of a producer under each lease; and

(b) any contract applicable to the tract or lease insofar as the contract relates to the field, pool or portion of the tract or lease covered by the order.

"Further powers of minister

10.88 The Lieutenant Governor in Council may confer on and vest in the minister any power considered necessary or advisable to enable the minister to carry out the provisions of any unit operation order.

"Agreement for unit operation

10.89(1) Notwithstanding anything in this Part, the owners and any other person having a proprietary interest in the oil or gas in a field or pool or any portion of that field or pool may enter into an agreement for the operation of that field or pool or portion of that field or pool as a unit.

(2) A unit operation agreement entered into pursuant to subsection (1) must set out a scheme or plan for combining the interests of the owners and other persons having a proprietary interest in the common source of supply of oil or gas in the field or pool or portion of the field or pool.

(3) An executed copy of an agreement for unit operation entered into pursuant to subsection (1) must be filed with the minister before the effective date of the unit operation.

(4) All amendments to an agreement mentioned in subsection (1) must be filed with the minister.

"Regulations for Part

10.9 The Lieutenant Governor in Council may make regulations:

(a) defining, enlarging or restricting the meaning of any word or expression used in this Part but not defined in this Part;

(b) authorizing or governing the spacing of wells, the establishment of set-back distances, the establishment of target areas and the formation of drainage units and drainage areas generally;

(c) generally governing operations to improve or increase ultimate recovery, including the cycling of gas, the maintenance of pressure and the introduction of gas, water or other substances into producing formations;

(d) restricting or prohibiting the production of gas from an oil well, and authorizing the minister to make orders restricting or prohibiting the production of gas from an oil well;

(e) prohibiting or restricting drilling, specifying areas within which drilling is prohibited or restricted, specifying circumstances in which drilling is prohibited or restricted and generally governing the prohibition or restriction of drilling;

(f) specifying requirements for the contents of pooling orders for the purposes of clause 10.7(6)(a);

(g) governing the procedure with respect to filing of agreements for unit operation;

(h) respecting the matters that are to be included in an order made pursuant to subsection 10.81(1);

(i) prescribing any matter or thing required or authorized by this Part to be prescribed in the regulations;

(j) respecting any other matter or thing that the Lieutenant Governor in Council considers necessary to carry out the intent of this Part.

"Application of *The Mineral Resources Wells and Facilities Operations Act* to this Part

10.91 Sections 2-3 to 2-6 and 3-11 and Parts 9, 10 and 11 of *The Mineral Resources Wells and Facilities Operations Act* and any regulations made pursuant to those sections or Parts apply, with any necessary modification, for the purposes of this Part**".**

SS 1984-85-86, c C-50.2 amended

14(1) *The Crown Minerals Act* is amended in the manner set forth in this section.

(2) Clause 22.1(1)(b) is amended by striking out "*The Oil and Gas Conservation Act***" and substituting "**Part 4.1 of *The Mineral Resources Act, 1985***".**

(3) Clause 23(2)(c) is amended by striking out "*The Oil and Gas Conservation Act***" and substituting "***The Mineral Resources Wells and Facilities Operations Act*** and ***The Mineral Resources Act, 1985***".**

SS 2010, c F-22.11, section 2 amended

15 Subclause 2(1)(g)(ii) of *The Freehold Oil and Gas Production Tax Act, 2010* is amended by striking out "*The Oil and Gas Conservation Act***" and substituting "**Part 4.1 of *The Mineral Resources Act, 1985***".**

Coming into force

16(1) Subject to subsection (2), this Act comes into force by order of the Lieutenant Governor in Council.

(2) Sections 1, 2, 4, 6 and 10, clauses 3(a) to (e) and subsections 7(1) and 11(1) come into force on assent.

THIRD SESSION

Thirtieth Legislature

SASKATCHEWAN

BILL

No. 77

An Act to amend *The Mineral Resources Act, 1985* and to make consequential amendments to certain Acts

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Received and read the

First time

Second time

Third time

And passed

Honourable Chris Beaudry

Printed under the authority of
The Speaker of the Legislative Assembly
of Saskatchewan
2026