

The Oil and Gas Conservation Regulations, 1985

being

Chapter O-2 Reg 1 (effective March 7, 1985) as amended by Saskatchewan Regulations 39/87, 40/87, 32/88, 7/89, 25/89, 34/89, 96/90, 79/91, 72/92, 48/95, 50/97, 50/98, 106/2000 and 88/2005.

NOTE:

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

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CHAPTER O-2 REG 1
The Oil and Gas Conservation Act

PART I
Title And Interpretation

Title

1 These regulations may be cited as *The Oil and Gas Conservation Regulations, 1985*.

Interpretation

2 For the purposes of the Act and in these regulations:

- (a) **“Act”** means *The Oil and Gas Conservation Act*;
- (b) **“approved”** means approved by the minister;
- (c) **“associated completion”** means a completion with separate production strings cemented in a single bore hole;
- (d) **“battery”** means common storage facilities receiving production from a well or wells and includes equipment for separating the fluid into oil, gas and water and for measurement;
- (e) **“blow-out”** means an uncontrolled escape of fluid from a well;
- (f) **“blow-out preventer”** means a special casing head used in rotary drilling, well completions and workovers to prevent the uncontrolled escape of fluid from a well;
- (g) **“capacity of a well”** means the ability of a well to produce as determined by the minister pursuant to regulations or orders made pursuant to the Act;
- (h) **“casing-head gas”** means any gas, vapour or combination of gas or vapour indigenous to an oil stratum and produced with oil from that stratum;
- (i) **“casing pressure”** means pressure in the annulus between tubing and casing measured at the casing head of a well;
- (j) **“condensate”** means a liquid hydrocarbon product that existed in the reservoir in a gaseous phase at original conditions and that is recovered from a gas stream when pressure and temperature are reduced to not lower than those at atmospheric conditions;
- (k) **“cubic metre of gas”** means the volume of gas contained in one cubic metre of space at a standard pressure of 101.325 kilopascals absolute and at a standard temperature of 15 degrees Celsius;
- (k.1) **“date of first production or injection”** means the date on which a well commences:
 - (i) production of new oil after recovering all injected completion oil;
 - (ii) production of marketable gas not associated with oil at the time of production;

- (iii) production of water after recovering all injected completion water; or
- (iv) injection of liquid or gaseous substances into a subsurface zone;

(l) **“day”** means the period of 24 consecutive hours commencing at 7:00 a.m. on one day and ending at 7:00 a.m. on the following day;

(m) **“dehydrator”** means an apparatus designed and used to remove water from gas;

(n) **“deputy minister”** means the Deputy Minister of Energy and Mines;

(o) **“flowline”** means a pipeline connecting a wellhead and:

- (i) an oil battery facility;
- (ii) a fluid injection facility; or
- (iii) a gas compression facility;

and includes a pipe or system of pipes for the transportation of fluids within any of those facilities;

(p) **“gas”** means natural gas, both before and after it has been subjected to absorption, purification, scrubbing or other treatment or process, and includes all liquid hydrocarbons other than oil and condensate;

(q) **“gas-oil ratio”** or **“GOR”** means the ratio of the number of cubic metres of gas produced from a given source in a given period to the number of cubic metres of oil produced from that source in that period of time;

(r) **“gas well”** means:

- (i) a well that is capable of producing gas not associated with oil at the time of production;
- (ii) that part of a well in which the gas-producing zone is successfully segregated from the oil and in which gas is produced separately from the oil;
- (iii) a well from which gas is or is capable of being produced from a reservoir in association with no more than one cubic metre of oil for every 3,500 cubic metres of gas produced from the reservoir; or
- (iv) any other well that may be classified by the minister pursuant to clause 17(1)(l) of the Act as a gas well for the purposes of the Act and these regulations;

(r.1) **“good production practice”** means production of oil or gas from a well at a rate not governed by a maximum allowable rate of production but limited to what can be produced on the basis of technical parameters without adversely and significantly affecting:

- (i) the ultimate recovery of oil or gas; or
- (ii) the opportunity of other owners to obtain their share of production from the pool;

(s) **“group”** means two or more wells producing into individual storage facilities and reported, with the approval of the minister, on a single production and disposition report;

- (s.1) **“horizontal well”** means:
- (i) a well:
 - (A) with a portion drilled at an angle of at least 80 degrees from vertical, measured from a line connecting the initial point of penetration into the productive zone to the end point of the wellbore in the productive zone;
 - (B) with a minimum wellbore length of 100 metres, measured from the initial point of penetration into the productive zone to the end point of the wellbore in the productive zone; and
 - (C) that is approved for the purposes of this clause; or
 - (ii) any other well approved for the purposes of this clause;
- (t) **“multi-zone well”** means a well for the segregated production or injection from or into more than one zone through the same well bore;
- (u) **“nomination”** means a statement made by a purchaser showing the amount of oil and gas he has a definite and bona fide need to purchase during a given period;
- (v) **“oil”** means crude petroleum oil and any other hydrocarbon, regardless of density, that is or is capable of being produced from a well in liquid form, but does not include condensate;
- (w) **“oil shale core hole”** means any hole drilled into oil shale for the purpose of obtaining geological information or recovering a core of the oil shale;
- (x) **“oil well”** means any well capable of producing oil other than a gas well;
- (y) **“operator”** means:
- (i) a person who, as owner, lessee, sublessee or assignee, has the right to carry on well-drilling operations or operations for oil and gas production;
 - (ii) a contractor who contracts for or engages in any well-drilling, completion, production or abandonment operations; or
 - (iii) the person designated by the minister as the operator of the well;
- (z) **“person”** includes a corporation, company, government, government agency, crown corporation, syndicate, trust, firm, partnership, co-owner or party and the successors, heirs, executors, administrators or other legal representatives of any such person;
- (aa) **“pipeline”** means a pipe or system of pipes for the transportation of:
- (i) oil or gas; or
 - (ii) water or other fluids incidental to or used in the production of oil or gas;

and includes tanks, tank batteries, pumps, compressors, racks and storage, loading and other terminal facilities and all real property necessary for the pipeline or used in connection with the pipeline and all other real and personal property required for the purpose of the pipeline or used in connection with or incidental to the pipeline, but does not include refining or marketing pipelines situated wholly within a plant property or gas distribution pipelines situated downstream of a pressure regulator in a city, town, village or hamlet;

(aa.1) **“productive horizontal section”** means the portion of a horizontal well that is open to production from the subsurface formation;

(bb) **“provincial highway”** means a provincial highway as defined in *The Highways and Transportation Act*;

(cc) **“public highway”** means a public highway as defined in *The Highways and Transportation Act* but does not include a provincial highway;

(cc.1) **“public notice”** means a notice published in the manner set out in section 108.9 and, if the minister considers it necessary, in any other manner specified by the minister;

(dd) **“segregate”** means to confine each fluid in a well to the proper zone or flow channel of that fluid so that the fluid is separated from all fluids in any other zone or flow channel;

(ee) **“separator”** means an apparatus for separating liquid and gas at the surface as they are produced from a well;

(ff) **Repealed.** 13 Sep 91 SR 79/91 s3.

(gg) **“structure test hole”** means any hole drilled for the purpose of obtaining geological and structural information to a point below the glacial drift that is no deeper than the base of the Second White Specks horizon, but does not include:

(i) any hole drilled that penetrates a horizon that, in the opinion of the department, is capable of producing oil or natural gas in commercial quantities; or

(ii) any hole drilled for seismic testing;

(hh) **“treater”** means an apparatus for separating oil, gas and water at the surface as they are produced from a well;

(ii) **“transporter”** means a person who transports oil or gas produced from a pool to a point outside the pool or to a purchaser within a pool;

(ii.01) **“vertical well”** means any well that is not a horizontal well;

(ii.1) **“waste processing facility”** means a system or arrangement of tanks, treaters or other surface equipment that is intended to receive waste material from any oil or gas field operation for processing or disposition;

(jj) **“water-covered area”** means a surface area covered by flowing or standing water;

(kk) **“water-oil ratio”** or **“WOR”** means the ratio of the number of cubic metres of water produced from a given source in a given period of time to the number of cubic metres of oil produced from that source in that period of time;

(ll) **“well”** means:

(i) any opening in the ground made within Saskatchewan from which any oil, gas, oil and gas or other hydrocarbon are, have been or are capable of being produced from a reservoir;

(ii) any opening in the ground that is made for the purpose of:

(A) obtaining water to inject into an underground formation;

(B) injecting any substance into an underground formation;

(C) storing oil, gas or other hydrocarbons underground; or

(D) monitoring reservoir performance and obtaining geological information; or

(iii) any opening in the ground made for informational purposes pursuant to The Subsurface Mineral Regulations, 1960 being Saskatchewan Regulations 541/67;

but does not include seismic shot holes, structure test holes or oil shale core holes;

(mm) **“zone”** means any approved interval definable with respect to a geological formation or unit.

15 Mar 85 cO-2 Reg 1 s2; 13 May 88 SR 32/88 s2; 26 May 89 SR 25/89 s3; 13 Sep 91 SR 79/91 s3; 4 Jly 97 SR 50/97 s3; 16 Sep 2005 SR 88/2005 s3.

3 Repealed. 13 Sep 91 SR 79/91 s4.

PART II

4 Repealed. 13 Sep 91 SR 79/91 s5.

5 Repealed. 13 Sep 91 SR 79/91 s5.

PART III Well Names

Interpretation of Part

5.1 In this Part and Part IV, other than section 12, **“licence”** means a licence mentioned in Part II of the Act.

13 Sep 91 SR 79/91 s6.

Well Name Register

6(1) The department shall maintain the record of official well names required by section 16 of the Act in a Well Name Register containing:

(a) the name and location of each well;

- (b) the name of the licence holder and the licence number;
 - (c) the name of the drilling contractor; and
 - (d) the name assigned to the well.
- (2) The last name assigned to a well in the Well Name Register is the official name of the well.

15 Mar 85 cO-2 Reg 1 s6.

Change of well name or name of licence holder

- 7(1) The holder of a licence who wishes to change the official name of a well shall submit to the department an application for that purpose on an approved form.
- (2) **Repealed.** 3 Jly 98 SR 50/98 s3.
- (3) A licence holder whose name has changed shall:
- (a) give written notice of the change of name to the department; and
 - (b) if the licence holder is a corporation, provide the department with a copy of the Certificate of Amendment issued by the Director of Corporations pursuant to *The Business Corporations Act*.
- (4) A licence holder that is a corporation and that amalgamates with another corporation shall:
- (a) give written notice of the amalgamation to the department; and
 - (b) provide the department with a copy of the Certificate of Amalgamation issued by the Director of Corporations pursuant to *The Business Corporations Act*.
- (5) An application to change an official well name pursuant to subsection (1) is to be accompanied by a fee as set forth in Appendix 1.
- (6) The minister may, in his discretion, grant or refuse an application to change the official name of a well and if the application is granted the new name is to be entered in the Well Name Register.

15 Mar 85 cO-2 Reg 1 s7; 13 Sep 91 SR 79/91 s7;
3 Jly 98 SR 50/98 s3.

Well name requirements

- 8(1) The maximum length of a well name, including spaces, is 50 characters.
- (2) A well name is required to contain:
- (a) the name of the owner of the well or, if there is more than one owner, the owner whose name appears first on the licence issued for the drilling of the well;
 - (b) the pool as designated by the minister in or adjacent to which the well is located or, if the well is not located in or adjacent to a designated pool, the district in which the well is located; and
 - (c) the legal subdivision, section, township and range in which the well is located in the order named, indicated by numbers separated by hyphens.
- (3) The name of a well replacing another well in the same legal subdivision is required to contain the appropriate letter after the legal subdivision number commencing with the letter "A" for the first replacement well and thereafter in alphabetical sequence.

- (4) The name of a well in a designated pool or a designated spacing area in which the target area for the drilling of a well is located on a specific quadrant of a legal subdivision is required to contain before the legal subdivision number:
- (a) the letter "A", if the well is located in the south-east quarter of the legal subdivision;
 - (b) the letter "B", if the well is located in the south-west quarter of the legal subdivision;
 - (c) the letter "C", if the well is located in the north-west quarter of the legal subdivision;
 - (d) the letter "D", if the well is located in the north-east quarter of the legal subdivision.
- (5) If an additional well is proposed to be drilled on the same target area as a well that is already located or drilled on that target area but for the purpose of obtaining production from a different zone, the name of the proposed additional well is required to contain the letter "T" after the section number.
- (6) The name of a well for completion as a multi-zone well is required to contain the letters "MZ" after the section number.
- (7) The name of a well for completion as an associated completion is required to contain the letters "As" after the section number.
- (8) An application to recomplete:
- (a) a single zone well to produce as a multi-zone well; or
 - (b) a multi-zone well to produce from a single zone;
- is to be accompanied by an application to change the well name and a fee as set forth in Appendix 1.
- (9) Subject to the approval of the minister, a well name may contain any other particulars that the applicant desires, but the word "number" or any abbreviation of that word is not to precede the numerical identification of the well.
- (10) An owner may be identified in an abbreviated form in a well name only if:
- (a) the owner submits the proposed abbreviation to the department;
 - (b) the proposed abbreviation is satisfactory to the minister; and
 - (c) the abbreviation is the only one for the owner used in any well name.
- (11) The minister may approve abbreviations of designated names of pools or districts and only abbreviations so approved are to be used in well names if it is necessary or desirable to abbreviate designated pool or district names.
- (12) Wells located in a unitized area are to be identified at the discretion of the minister.
- (13) Notwithstanding any other provision of this section, wells drilled for any purpose other than for obtaining oil or gas may, if approved by the minister, be identified in any manner.

- (14) If a well is situated:
- (a) on a road allowance running east and west, it is deemed to be on the south boundary of the nearest legal subdivision of the section immediately to the north of the road allowance or, if the well is situated on the extension of the boundary line between two legal subdivisions, it is deemed to be situated on the south boundary of the legal subdivision with the lower number;
 - (b) on a road allowance running north and south, it is deemed to be on the west boundary of the nearest legal subdivision of the section immediately to the east of the road allowance or, if the well is situated on the extension of the boundary between two legal subdivisions, it is deemed to be situated on the west boundary of the legal subdivision with the lower number.
- (15) If a well is situated on a road allowance, the designation "R/A" is required to be added before the legal subdivision number as determined in accordance with subsection (14).
- (16) If a well is to be directionally drilled or slant drilled, the designation "DD" is required to be added before the legal subdivision number.
- (17) If a well is to be horizontally drilled, the designation 'HZ' is required to be added before the legal subdivision number.

15 Mar 85 cO-2 Reg 1 s8; 13 Sep 91 SR 79/91 s8;
4 Jly 97 SR 50/97 s4.

Identification of wells and batteries

9 The owner shall mark each well and battery with a prominent sign located in a conspicuous place showing:

- (a) the name of the owner;
- (b) the name of the well or battery; and
- (c) the legal description of the well or battery, if the legal description is not indicated in the name;

and shall preserve the sign until the well is abandoned or the battery is dismantled.

15 Mar 85 cO-2 Reg 1 s9.

PART IV Licensing

Licence to drill a well

10 A person who wishes to commence operations for drilling a well shall, prior to the commencement of those operations, submit to the department, together with an application for a licence in quadruplicate on an approved form:

- (a) a plan of lands:
 - (i) in duplicate and in a scale that is acceptable to the department;
 - (ii) prepared from a survey made by a Saskatchewan Land Surveyor;
 - (iii) dated, certified and signed by the surveyor, with his signature duly witnessed;

- (iv) showing the exact location of the proposed well site in relation to:
 - (A) the boundaries of the section;
 - (B) water-covered areas;
 - (C) mines, whether worked or abandoned;
 - (D) existing wells and abandoned wells;
 - (E) roadways, road allowances, railways, pipelines, power lines and any other right of way;
 - (F) aircraft runways or taxiways; and
 - (G) structures of every kind;

within a radius of 200 metres of the proposed well site;

- (v) showing the elevation of the well site and the locations of:
 - (A) the surface lease boundaries;
 - (B) the access road; and
 - (C) the target area;
 - (vi) having all measurements and distances tied to:
 - (A) a surveyed monument or evidence of a surveyed monument in a surveyed area; or
 - (B) a surveyed base line or some prominent topographical feature acceptable to the department in an unsurveyed area;
 - (vii) having an entry in its legend stating the true East/West and North/South co-ordinates of the well site from its initial reference section corner monument used in the survey;
 - (vii.1) having an entry in its legend stating the latitude and longitude of the well site;
 - (viii) showing for any directionally drilled, slant drilled or horizontally drilled well:
 - (A) the proposed casing point and the proposed bottom-hole location:
 - (I) in relation to the boundaries of the section; and
 - (II) in relation to the well site by rectangular co-ordinates; and
 - (B) the proposed trajectory; and
 - (ix) showing existing wells and abandoned wells within the drainage units from which the well is intended to produce.
- (b) a fee set forth in Appendix 1.

Licence to deepen or respud an abandoned well

11(1) Unless otherwise approved, a person who wishes to commence operations for re-entering and re-drilling an abandoned well or drilling a well with a different depth, length or configuration than previously licensed shall submit to the department:

- (a) a new application for a licence in quadruplicate on an approved form; and
- (b) a fee as set forth in Appendix 1.

(1.1) The application and fee mentioned in subsection (1) must be submitted prior to the commencement of the operations.

(2) If it is necessary to abandon a well because of mechanical failure or obstruction in the hole prior to the completion of drilling but subsequent to the setting of a surface casing, a new well may be drilled in the same target area only if:

- (a) approval of the abandonment and permission to respud have been obtained from the minister; and
- (b) a new application in quadruplicate on an approved form for a licence is submitted to the department and accompanied by:
 - (i) a new plan in duplicate showing the location of the new well in relation to the original well; and
 - (ii) a fee as set forth in Appendix 1.

(3) If it is necessary to abandon a well because of an obstruction in the hole prior to the setting of surface casing, a new well may be drilled under the existing licence within the same target area only if:

- (a) approval of the abandonment and permission to respud have been obtained from the minister; and
- (b) a plan showing the location of the new well is forwarded to the department as soon as possible.

15 Mar 85 cO-2 Reg 1 s11; 13 Sep 91 SR 79/91
s10.

Licence to drill a structure test hole or oil shale core hole

12(1) A person who wishes to commence operations for drilling a structure test hole or an oil shale core hole shall, prior to the commencement of those operations, submit to the department:

- (a) an application for a licence in triplicate on an approved form; and
- (b) a fee as set forth in Appendix 1.

(2) No more than 10 structure test holes or oil shale core holes are to be drilled for each licence issued pursuant to subsection (1).

15 Mar 85 cO-2 Reg 1 s12.

Licence to drill on road allowance

13(1) A person who wishes to commence operations to drill a well on a road allowance shall, prior to the commencement of those operations and, in addition to the requirements of section 10, submit to the department evidence of his right to drill into and produce the oil or gas from the drainage unit nearest to the proposed road allowance well.

(2) The minister shall not issue a licence to drill on a provincial highway unless the applicant has obtained written approval for each well site from the Minister of Highways and Transportation and a copy of the approval has been forwarded to the department.

(3) The minister shall not issue a licence to drill on a public highway unless the applicant has obtained written approval for each well site from:

- (a) the secretary of the council of the rural municipality in which the well sites are located; and
- (b) the Minister of Highways and Transportation;

and copies of the approvals have been forwarded to the department.

15 Mar 85 cO-2 Reg 1 s13.

Recompletion

14 A person who wishes to commence recompletion operations shall, prior to the commencement of those operations, submit an application for permission to plug back a well to the department on an approved form.

15 Mar 85 cO-2 Reg 1 s14.

General licensing provisions

15(1) In an area in which there may be more than one productive zone, an applicant shall set out in his application for a licence the definite zone to which the well will be drilled and the zones from which the well is expected to produce.

(2) The minister may cancel a licence if drilling has not commenced within 90 days after it has been issued.

(3) If:

- (a) there are separately owned tracts or interests in all or part of a drainage unit consisting of Crown lands and freehold lands; and
- (b) there is no agreement for pooling of the interests for the development and operation of the drainage unit, nor an order for the pooling of the interests in accordance with subsection 30(5) of the Act;

the minister may refuse to issue a licence in accordance with this Part unless:

- (c) the application for a licence is accompanied by written evidence establishing to his satisfaction that special circumstances exist necessitating the issuance of the licence; and
- (d) it is expedient and in the public interest to issue the licence;
- (e) **Repealed.** 14 Dec 90 SR 96/90 s3.

(4) The minister may impose on a licence any terms and conditions, in addition to those mentioned in subsections (1) to (3), that he considers appropriate.

(5) The minister may amend the terms and conditions previously imposed on an existing licence or may impose new terms and conditions on an existing licence.

(6) Where a person has commenced drilling operations without first obtaining a licence in accordance with this Part, the minister may suspend that person's drilling operations for a period of not less than 24 hours and not more than twice the time interval from the time the well is spudded to the time the licence is issued.

15 Mar 85 cO-2 Reg 1 s15; 14 Dec 90 SR 96/90 s3.

16 Repealed. 13 Sep 91 SR 79/91 s11.

Surface access limitations

17(1) A licence does not grant a right of entry onto the surface nor the use of surface lands.

(2) Every person who is granted a licence shall, prior to moving any drilling equipment on the proposed well site, provide the exact location of that proposed well site to the rural municipality in which the well site is to be situated.

15 Mar 85 cO-2 Reg 1 s17; 13 Sep 91 SR 79/91 s11.

Assignment or transfer of licence

18 Where:

(a) the minister has provided a written consent pursuant to section 12 of the Act for the transfer or assignment of a licence; and

(b) the transferor or transferee or assignor or assignee, as the case may be, submits to the department:

(i) a copy of the duly executed transfer or assignment in a form that is satisfactory to the department; and

(ii) a fee as set forth in Appendix 1;

the department shall transfer or assign the licence, as the case may be.

13 Sep 91 SR 79/91 s13.

PART IV.1

Oil and Gas Environmental Fund

Interpretation of Part

18.1 In this Part, “**fund**” means the Oil and Gas Environmental Fund established by section 18.2.

26 May 89 SR 25/89 s6.

Fund established

18.2 The Oil and Gas Environmental Fund is established.

26 May 89 SR 25/89 s6.

Moneys designated

18.3(1) In this section, “**depositor**” means a person who, as an owner or on behalf of an owner, has deposited an amount with the minister pursuant to subsection 16(1), as that subsection existed on the day before the day on which this Part comes into force, and includes the heirs, successors and administrators of that person.

(2) The following moneys are designated as the moneys that are to be deposited in the fund:

(a) \$100 of each deposit held pursuant to subsection 16(1) by the minister on the day before the day on which this Part comes into force with respect to a well that has not been abandoned in accordance with these regulations, to a maximum of \$20,000 per depositor;

- (b) all deposits held pursuant to subsection 16(1) by the minister that become the property of Her Majesty in right of Saskatchewan pursuant to subsection 16(4.2);
- (c) all interest and dividends received on loans and investments of the fund;
- (d) all gains on disposal of securities in which any part of the fund has been invested;
- (e) all moneys recovered pursuant to subsection 18.5(2);
- (f) where the minister determines that the moneys deposited in the fund pursuant to clauses (a) to (e) are insufficient for the purposes described in section 18.4, \$100 of each well licence application fee submitted to the department pursuant to Part IV subsequent to that determination.

26 May 89 SR 25/89 s6.

Purposes

18.4 Where, in the opinion of the minister, all other remedies have been exhausted or an emergency exists, the minister may spend moneys from the fund for the following purposes:

- (a) conducting or completing the abandonment and surface restoration of a well, structure test hole, oil shale core hole or related facility that has been left incomplete by the insolvency or disappearance of the owner or operator;
- (b) containment, clean up and surface restoration of a problem that, in the opinion of the minister, is a major environmental problem that arises from oil or gas exploration, development, production or transportation operations within the scope of the Act.

26 May 89 SR 25/89 s6.

Responsibility of owner, operator

18.5(1) The expenditure of moneys from the fund for any of the purposes described in section 18.4 does not relieve the owner or operator of the responsibility to maintain the well, well site, structure test hole, structure test hole site, oil shale core hole, oil shale core hole site or related facility in compliance with the Act, the regulations and orders made pursuant to the Act.

(2) The minister may recover from the owner or operator, as the case may be, any moneys expended pursuant to section 18.4 for any work or activity that the owner or operator would, in the opinion of the minister, otherwise be responsible to perform.

(3) For the purposes of subsection (2), the minister may take possession and dispose of any equipment or material left by the owner or operator at the well, structure test hole or oil shale core hole in question.

(4) Moneys recovered by the minister from a disposition pursuant to subsection (3) are deemed to be moneys recovered pursuant to subsection (2).

26 May 89 SR 25/89 s6.

Fiscal year

18.6 The fiscal year of the fund is April 1 of one year to March 31 of the year next following.

26 May 89 SR 25/89 s6.

PART V
Prohibited Drilling

Prohibited drilling areas

19(1) No person shall drill any well, structure test hole or oil shale core hole within 75 metres of any:

- (a) railway, pipeline, power line or other right of way;
- (b) aircraft runway or taxi way;
- (c) dwelling, industrial plant, military building, permanent farm building, school building or church;

unless:

- (d) written authorization to so drill is obtained from the owner of the property or the holder of the right of way; and
 - (e) a copy of the authorization is submitted to the department accompanied by the appropriate application for a licence.
- (2) No person shall drill on a road allowance in a location that interferes with public travel.
- (3) No person shall drill a well on the intersection of two road allowances.
- (4) No person shall carry on drilling operations:
- (a) in a water-covered area; or
 - (b) within 75 metres of a shoreline;

without the approval of the minister.

15 Mar 85 cO-2 Reg 1 s19; 5 Jne 87 SR 39/87
s3; 13 Sep 91 SR 79/91 s14.

Potash restricted drilling areas

20(1) In this section:

- (a) **“potash disposition holder”** means:
 - (i) a person, other than the Crown, that operates a mine to extract, recover or produce potash and that:
 - (A) owns a fee simple interest in potash; or
 - (B) pursuant to a lease or other instrument granted by a person other than the Crown, has the right to extract, recover or produce potash; or
 - (ii) the holder of a Crown disposition respecting potash pursuant to *The Crown Minerals Act*;
- (b) **“potash restricted drilling area”** means a potash restricted drilling area established pursuant to subsection (2).

(2) The minister may make orders establishing any area of land as a potash restricted drilling area for the purpose of restricting the drilling of wells near potash mines.

- (3) No person shall drill a well within a potash restricted drilling area without first:
 - (a) obtaining the written approval of the minister; and
 - (b) obtaining the written consent of every potash disposition holder whose potash is located within the potash restricted drilling area and submitting a copy of the consent to the department.
- (4) The consent mentioned in subsection (3) is not to be unreasonably withheld by a potash disposition holder.

2 Jne 95 SR 48/95 s3.

Further restrictions in commercial potash areas

21(1) Notwithstanding section 20, drilling for oil or gas below the top of the Prairie Evaporite is restricted in areas that the minister designates as commercial potash areas.

(2) The minister may establish protective measures applicable to the restricted areas designated by him pursuant to subsection (1) with respect to drilling, completion or abandonment of any well, and the following minimum measures are applicable:

- (a) if drilling is to penetrate below the top of the Prairie Evaporite:
 - (i) a protective string of casing is to be set at the top of the Prairie Evaporite with sufficient cement to ensure that the lower 60 metres is securely anchored;
 - (ii) drilling fluid is to be replaced with oil;
 - (iii) in lieu of meeting the requirements of subclauses (i) and (ii), a salt saturated drilling fluid may be used;
 - (iv) on completion of drilling, a caliper survey of the Prairie Evaporite is to be taken;
 - (v) on completion of drilling within a commercial potash area designated pursuant to subsection (1), a directional survey is to be taken from the lowest point of the well in the Prairie Evaporite to the top of the well and the owner shall immediately submit a report in writing to the department setting forth the manner in which the survey was made and the results of it and shall attach to the report a true copy of the survey;
- (b) to complete a well as an oil or gas well below the Prairie Evaporite and to effectively shut off all communications between zones:
 - (i) production casings are to be cemented in two stages:
 - (A) stage 1 is to be from the total depth to 30 metres above the top of the Prairie Evaporite and is to consist of brine saturated cement;
 - (B) stage 2 is to be from 30 metres above the top of the Prairie Evaporite to the surface; and
 - (ii) a temperature log or cement log is to be run in order to evaluate the casing cement job;

- (c) to abandon a well drilled into or below the Prairie Evaporite:
 - (i) the method prescribed by the minister is to be followed; and
 - (ii) if the depth of the well is less than 30 metres below the base of the Prairie Evaporite:
 - (A) a continuous brine saturated cement plug is to be set from the bottom of the well to 150 metres above the top of the Prairie Evaporite; and
 - (B) the cement plug is to be probed for after waiting at least eight hours for the cement to harden and is to be able to withstand a force of 18 kilonewtons;
 - (iii) if the depth of the well is more than 30 metres below the base of the Prairie Evaporite:
 - (A) a first cement plug of not less than 30 metres is to be set immediately below the bottom of the Prairie Evaporite;
 - (B) a second plug is to be set directly on top of the first plug and made of sufficient brine saturated cement to ensure a continuous plug of 150 metres above the top of the Prairie Evaporite; and
 - (C) after each plug is set it is to be probed for after waiting a minimum of eight hours for the cement to harden and it is to be able to withstand a force of 18 kilonewtons;
 - (iv) the remainder of the hole is to be abandoned in accordance with the dry hole abandonment provisions of subsection 36(2).

15 Mar 85 cO-2 Reg 1 s21.

22 Repealed. 2 Jne 95 SR 48/95 s4.

Protection of timber

23 No operator shall cause unnecessary damage to timber.

15 Mar 85 cO-2 Reg 1 s23.

PART VI

Approval of Drilling and Completion Operations

Notification of spud-in

24 An operator shall notify the appropriate field office of the department of the spud-in of a well within 24 hours after the spud-in takes place.

15 Mar 85 cO-2 Reg 1 s24.

Variation in drilling program

25(1) Subject to subsection (2), no operator shall depart from or vary a program of drilling operations approved by a licence mentioned in the Act without the prior written consent of the minister.

(2) In case of an emergency in which immediate departure from or variation in the program mentioned in subsection (1) is necessary, the departure or variation may be made to the extent that it is necessary, and in that case the operator shall:

- (a) first immediately notify the department of the departure or variation by the most expedient means available; and
- (b) confirm the first notification with a notification in writing.

15 Mar 85 cO-2 Reg 1 s25; 13 Sep 91 SR 79/91 s17.

Multi-zone wells

26(1) An application for approval to complete a well as a multi-zone well is to be submitted to the department on an approved form and is to contain an outline of the current completion status of the well and the general manner in which, if the application is granted, the fluids from each zone or pool will be segregated.

(2) The owner of a multi-zone well shall, within 30 days after the well has been completed in more than one pool, advise the department of the effective date of each completion and submit to the department a diagram showing:

- (a) the type and make of each component of the subsurface installation;
- (b) the depth below a stated reference in the well of each component of:
 - (i) the subsurface installation;
 - (ii) the casing;
 - (iii) liner and tubing;
 - (iv) setting depths and sizes;
 - (v) the upper and lower limits of the porous intervals;
 - (vi) fluid interfaces of each completion zone and the perforated intervals; and
- (c) the flow channels for the fluids.

(3) Subject to subsection (4), the owner of a multi-zone well shall not:

- (a) modify, or cause or permit to be modified, the subsurface installation or producing interval of the well; or
- (b) conduct remedial work on the well;

unless he first obtains approval in writing from the minister.

(4) When an operation mentioned in subsection (3) is necessary to obtain segregation, the owner may obtain oral approval from a representative of the minister.

15 Mar 85 cO-2 Reg 1 s26.

Application of sections 27 to 30

26.1 Sections 27 to 30 apply only to vertical wells.

13 Sep 91 SR 79/91 s18.

PART VII
Drainage Units, Target Areas and Qualification for Allowables

Oil and gas well drainage units

27(1) Subject to section 27.1, with respect to oil wells, where no drainage units have been established for a field, pool or area, a drainage unit:

(a) in a territory surveyed into sections in accordance with *The Land Surveys Act* is one legal subdivision; and

(b) in unsurveyed territory is a parcel of land containing 16 hectares more or less which, if surveyed in accordance with *The Land Surveys Act*, would become a legal subdivision.

(2) Subject to section 27.1, with respect to gas wells, where no drainage units have been established for a field, pool or area, a drainage unit:

(a) in a territory surveyed into sections in accordance with *The Land Surveys Act* is one section; and

(b) in unsurveyed territory is a parcel of land containing 259 hectares more or less which, if surveyed in accordance with *The Land Surveys Act*, would become a section.

(3) **Repealed.** 14 Dec 90 SR 96/90 s4.

(4) **Repealed.** 14 Dec 90 SR 96/90 s4.

(5) **Repealed.** 14 Dec 90 SR 96/90 s4.

15 Mar 85 cO-2 Reg 1 s27; 14 Dec 90 SR 96/90 s4.

Minister's orders re drainage units

27.1(1) If there is a conflict between a minister's order made pursuant to section 17 of the Act to establish or change drainage units and the establishment of drainage units pursuant to subsection 27(1) or (2):

(a) the minister's order prevails; and

(b) the operation of subsection 27(1) or (2), as the case may be, is suspended with respect to the subject matter of the minister's order.

(2) The minister may require public notice to be given of a proposal to establish or change drainage units by a minister's order pursuant to section 17 of the Act.

(3) An applicant for a minister's order pursuant to section 17 of the Act to establish or change drainage units shall submit to the department a written application that contains any information which the minister may require.

14 Dec 90 SR 96/90 s5; 13 Sep 91 SR 79/91 s19.

Target areas and qualifications for allowables

28(1) In order to qualify for a maximum allowable rate of production based on a drainage unit as described in subsection 27(1), an oil well is to be completed within a target area which is inside the drainage unit and has sides located 100 metres from and parallel to the corresponding sides of the drainage unit.

(2) In order to qualify for a maximum allowable rate of production based on a drainage unit as described in subsection 27(2), a gas well is to be completed within a target area which is inside the drainage unit and has sides located 200 metres from and parallel to the corresponding sides of the drainage unit.

(3) If a drainage unit is established by a minister's order, the minister may further prescribe the target area within which a well is required to be completed in order to qualify for a maximum allowable rate of production based on the area of the drainage unit.

15 Mar 85 cO-2 Reg 1 s28; 14 Dec 90 SR 96/90 s6; 13 Sep 91 SR 79/91 s20; 16 Sep 2005 SR 88/2005 s4.

Application for off-target wells

29(1) Before the minister:

- (a) pursuant to section 27 of the Act, makes an order that permits a well to be drilled at a location other than the prescribed target area; or
- (b) pursuant to section 17 of the Act, with respect to a well described in clause (a), makes an order that permits completing the well and producing from the well;

the minister may require public notice to be given of the application made for the order.

(2) A written application for an order mentioned in subsection (1) is to be submitted to the department and is to contain any information that the minister may require.

15 Mar 85 cO-2 Reg 1 s29; 14 Dec 90 SR 96/90 s7; 13 Sep 91 SR 79/91 s21.

Off-target penalty

30(1) Unless otherwise approved by the minister, the principles for determining the net productive area for a vertical well not completed within its target area are as follows:

- (a) in a drainage unit where the target area is centred on the drainage unit, the net productive area is the remaining area of the drainage unit after the north-south and east-west dimensions of the drainage unit have been reduced by the respective distances equal to the north-south and east-west vectors of displacement of the well from the centre of the target area;
- (b) in a drainage unit where the target area is not centred on the drainage unit:
 - (i) any legal subdivisions that do not form any part of the target area and are located in a position that is in the opposite direction of a vector of displacement are removed from the drainage unit; and
 - (ii) the net productive area is the remaining area of the drainage unit after the north-south and east-west dimensions of the drainage unit have been further reduced by the respective distances equal to the north-south and east-west vectors of displacement of the well from the centre of the target area.

(2) The production penalty applied to the allowable production of the well is the fraction obtained by dividing the net productive area determined in accordance with subsection (1) by the original area of the drainage unit.

(3) If the intersection of the well with any part of the pool projected vertically to the surface is outside the target area and within 50 metres of the boundary of the drainage unit, the well is not to be completed or placed on production without the approval of the minister.

5 Jan 2001 SR 106/2000 s3.

Application of sections 30.2 to 30.4

30.1 Sections 30.2 to 30.4 apply only to horizontal wells.

13 Sep 91 SR 79/91 s22.

Interpretation for section and sections 30.3 and 30.4

30.2 In this section and in sections 30.3 and 30.4:

- (a) **“heavy oil area”** means Spacing Area ‘E’ established by minister’s order, dated September 20, 1968 and as amended from time to time, pursuant to section 17 of *The Oil and Gas Conservation Act*;
- (b) **“non-heavy oil area”** means an area that is not a heavy oil area;
- (c) **Repealed.** 4 Jly 97 SR 50/97 s5.

13 Sep 91 SR 79/91 s22; 4 Jly 97 SR 50/97 s5.

Set-back distances

30.3 Unless otherwise ordered by the minister pursuant to section 17 or 17.1 of the Act:

- (a) for heavy oil areas the productive horizontal section of a horizontal well must be set back:
 - (i) a minimum of 100 metres from a diversely owned lease boundary; and
 - (ii) 100 metres from a productive vertical well or from the productive horizontal section of another horizontal well;
- (b) for non-heavy oil areas:
 - (i) the entire productive horizontal section of a horizontal well must be set back a minimum of 100 metres from a diversely owned lease boundary; and
 - (ii) the productive horizontal section of a horizontal well must be set back a minimum of 150 metres from a productive vertical well or from the productive horizontal section of another horizontal well.

13 Sep 91 SR 79/91 s22; 4 Jly 97 SR 50/97 s6;
16 Sep 2005 SR 88/2005 s5.

Maximum allowable rate of production

30.4(1) The minister shall assign a maximum allowable rate of production to a horizontal well in a non-heavy oil area if:

- (a) any point of the productive horizontal section is within 500 metres of a drainage unit that:
 - (i) is part of a diversely owned lease; and
 - (ii) contains a well that, in the opinion of the minister, is productive; and
- (b) either:
 - (i) written consents from all owners and fee simple mineral owners in the drainage unit described in clause (a) are not provided to the department; or
 - (ii) objections that are, in the opinion of the minister, valid in response to a public notice regarding an application for good production practice are received by the department from an owner or a fee simple mineral owner in the drainage unit described in clause (a).

(2) If a horizontal well contravenes the set-back distances mentioned in section 30.3 without an order of the minister allowing it to contravene the set-back distances, the well is not to be completed or placed on production.

(3) If the minister initially allows a horizontal well in a non-heavy area to produce under good production practice and the circumstances change so that clause (1)(a) applies, the minister may assign a maximum allowable rate of production to the horizontal well to be effective:

- (a) 24 months from the first day of the month in which production commenced; or
- (b) three months from the day the minister assigns the maximum allowable rate of production;

whichever time is the latest.

(4) If:

- (a) the minister initially assigns a maximum allowable rate of production to a horizontal well; and
- (b) the operator informs the minister that the circumstances have changed;

the minister may allow the well to produce under good production practice.

(4.1) Notwithstanding subsection (1), the minister may allow a horizontal well to produce under good production practice, where the minister is of the opinion that:

- (a) if a public notice were provided in accordance with subclause (1)(b)(ii), no valid objection would exist; and
- (b) equitable drainage of oil will not be adversely affected.

(5) Notwithstanding subsections (1) to (4.1), if the minister is of the opinion that an operator of a horizontal well is not adhering to good production practice, the minister may assign a maximum allowable rate of production to the horizontal well.

PART VIII
Drilling, Completing and Servicing Wells

Deviation and directional surveys

31(1) Unless otherwise approved, the operator of a well shall make deviational surveys during drilling at intervals of not more than 150 metres.

(2) Unless otherwise approved, the operator of a well shall make a directional survey of the well within 30 days after the finished drilling date of the well if the well is:

- (a) directionally drilled, slant drilled or horizontally drilled; or
- (b) to be placed on production in any of the following circumstances:
 - (i) the surface location of the well is nearer to the boundary of its target area than two per cent of the depth of the well;
 - (ii) the surface location of the well is outside its target area.

(3) The operator of a well shall, within 30 days after making a directional survey, submit to the department:

- (a) three copies of the survey report; and
- (b) three copies of the as drilled survey plan.

(3.1) In the case of a horizontal well, the operator of the horizontal well shall, within 30 days after making a directional survey, submit to the department for each horizontal section drilled:

- (a) three copies of the survey report; and
- (b) three copies of the as drilled survey plan.

(4) The minister may require the operator of a well to make further deviational or directional surveys and prescribe the manner of making the surveys.

(5) Every as drilled survey plan must:

- (a) include all the information for a plan of lands as required pursuant to subclauses 10(a)(i) to (vii) and (ix);
- (b) show the actual casing point and the actual bottom-hole location:
 - (i) in relation to the boundaries of the section; and
 - (ii) in relation to the well site by rectangular co-ordinates; and
- (c) show the actual trajectory for any directionally drilled, slant drilled or horizontally drilled well.

(6) Every survey report or survey plan submitted pursuant to this section must be accurately labelled with the official well name and licence number of the well.

Removal of drilling equipment

32(1) Unless otherwise approved, no operator shall remove or cause or permit to be removed any rig, derrick or other drilling equipment from a well unless the well has been completed in accordance with the licence issued pursuant to Part II of the Act or has been abandoned in accordance with these regulations.

(2) No operator shall, during the course of drilling or operation, remove or cause or permit to be removed any casing or other equipment essential to the proper control of a well or structure test hole without first obtaining the approval of the minister.

15 Mar 85 cO-2 Reg 1 s32; 13 Sep 91 SR 79/91 s24.

Surface casing requirements

33(1) The minimum requirements for surface casing are as follows:

(a) surface casing meeting American Petroleum Institute (API) specifications is to be used in all wells and structure test holes unless approval is obtained from the minister:

- (i) to use surface casing that does not meet API specifications; or
- (ii) to dispense with the use of surface casing;

(b) in every well drilled, sufficient surface casing is to be run to reach a minimum depth of:

- (i) 20 metres below the base of the glacial drift;
- (ii) 10% of the projected total depth of the well; or
- (iii) 75 metres;

whichever is deepest, or as otherwise approved;

(c) surface casing is to be cemented in place by the pump and plug method or by the displacement method, with sufficient cement to circulate to the top of the hole; and

(d) cement is to be allowed to set under pressure for not less than eight hours, or for a longer time that the minister may specify, before the plug is drilled.

(2) If a float collar or guide shoe is used in setting surface casing, pressure at the surface may be released immediately on completion of the cement job but only if there is no bleed back.

(3) No surface casing is to be removed from any well or structure test hole.

(4) The operator of a well completed to produce oil or gas or to inject fluid shall leave the annulus between the second casing string and the surface casing open to the atmosphere.

(5) The annulus vent line is required to:

- (a) have a minimum diameter of five centimetres;
- (b) extend at least 50 centimetres above ground level;
- (c) terminate so that any flow is directed either in a downward direction or parallel to the ground;

- (d) contain an open valve; and
 - (e) have a working pressure rating for all parts of at least 23 kilopascals for every metre of depth of the surface casing.
- (6) The minister may exempt a well or area from the requirements of subsections (4) and (5) if, in his opinion, conditions warrant.

15 Mar 85 cO-2 Reg 1 s33; 5 Jne 87 SR 39/87 s4;
4 Jly 97 SR 50/97 s9.

Adequate equipment and production casing

34(1) No equipment is to be used in drilling or completing a well unless it is in good condition, and production casing is to meet American Petroleum Institute, (API) specifications and comply in all respects with the specifications set out in the licence issued for the well and with any further specifications of the minister.

(2) Production casing is required to be cemented by the pump and plug method, the displacement method or any other approved method and the cement is to be set for at least 24 hours and properly tested by the pressure method before the plug is drilled out or the well perforated.

(3) If production casing is run through a porous zone or a zone containing fresh potable water not protected from invasion by other fluids, the zone is to be cemented off by an approved method.

(4) In completing a well, the operator shall adopt methods and install equipment that the minister may specify.

(5) If it appears to the minister that any equipment or casing used in drilling or producing a well is inadequate, defective or hazardous, he may require the replacement or reconditioning of that equipment or casing and may order the suspension of operations until the required action is taken.

(6) Notwithstanding subsection (1), in special circumstances, the minister may approve the use of production casing that does not meet API specifications.

15 Mar 85 cO-2 Reg 1 s34; 5 Jne 87 SR 39/87 s5; 4
Jly 97 SR 50/97 s10.

General plugging and abandonment provisions

35(1) Subject to subsection (4), no well, structure test hole or oil shale core hole is to be permitted to remain unplugged or uncased after it is no longer used for the purpose for which it was drilled or converted.

(2) If, in the opinion of the minister, the operations in respect of a well, structure test hole or oil shale core hole have been discontinued or delayed for an unreasonable period of time, the minister shall notify the owner in writing that the owner shall abandon it within 30 days after the notice is sent, unless sufficient cause is shown to the satisfaction of the minister why it should not be abandoned.

(3) If:

- (a) a well, structure test hole or oil shale core hole is not abandoned by the owner within 30 days after the notice mentioned in subsection (2) is sent; and

- (b) the owner fails, within 30 days after the notice mentioned in subsection (2) is sent, to show cause to the satisfaction of the minister why the well, structure test hole or oil shale core hole should not be abandoned;
- the minister may instruct the department to have it abandoned at the expense of the owner or take other action that the minister considers advisable.
- (4) The minister may extend the time for abandonment of any well, structure test hole or oil shale core hole on any terms and conditions that he considers advisable.
- (5) Before any work to abandon a completed well is commenced, the operator shall apply for permission to abandon the well on an approved form, and shall deliver the application to the department at least 48 hours prior to the date specified for abandonment in the application.
- (6) Abandonment operations mentioned in subsection (5) are not to be commenced until the minister approves the abandonment program or has sent his representative to witness and approve the plugging of the well.
- (7) The plugs set in abandoning a well are to be listed on the Well Completion Data Form or the Supplementary Well Completion Data Form that are required to be submitted to the department.
- (8) A well drilled into or below the Prairie Evaporite in a commercial potash area designated by the minister pursuant to section 21 is to be abandoned in accordance with the provisions of clause 21(2)(c).
- (9) Notwithstanding any other provision of this Part, the minister may approve or substitute in whole or in part any abandonment program.

15 Mar 85 cO-2 Reg 1 s35.

Dry hole abandonment

- 36(1)** Before any work to abandon a dry hole is commenced the operator shall, in the most expeditious manner possible, notify the department of his intention to abandon the well and give details of his abandonment program.
- (2) A dry hole in which only the surface casing has been set is to be abandoned by:
- (a) isolating each porous zone with a 15 metre plug or by a cement plug across the porous zone extending 15 metres above and 15 metres below the porous zone;
 - (b) placing a cement plug of a minimum length of 30 metres across the surface casing shoe;
 - (c) cutting off the surface casing one metre below ground level;
 - (d) welding a steel plate over the end of the casing in order to completely close off the open end;
 - (e) filling the interval between the plugs with an approved, heavy, mud-laden fluid;
 - (f) placing cement in the hole by:
 - (i) pumping through tubing;
 - (ii) pump and plug; or
 - (iii) any other approved method;

- (g) ensuring that all plugs:
 - (i) deeper than 580 metres measured from Kelly Bushing, except the plug at the bottom of the well, are probed for after waiting four hours for the cement to harden and are to be able to withstand a force of 18 kilonewtons; and
 - (ii) above 580 metres measured from Kelly Bushing are probed for after:
 - (A) waiting eight hours for cement to harden and are to be able to withstand a force of 18 kilonewtons; or
 - (B) a waiting time less than eight hours, but only if an official of the department is present to observe that the cement plug withstands a force of 18 kilonewtons;
- (h) resetting a plug if it fails to withstand the required force;
- (i) resetting a plug if it is found to be displaced a distance that renders it inadequate for the purpose of sealing off or isolating the porous or water-bearing stratum for which it was set; and
- (j) if the Prairie Evaporite is encountered in a dry hole located outside a commercial potash area designated by the minister pursuant to subsection 21(1), sealing off the Prairie Evaporite by a cement plug extending from 15 metres above to 15 metres below the Prairie Evaporite or the total depth, whichever is less, and, if the plug is not at the bottom of the well, probing for it after waiting four hours for the cement to harden and ensuring that it is able to withstand a force of 18 kilonewtons.

15 Mar 85 cO-2 Reg 1 s36.

Production well abandonment outside pools

37 If a well is to be abandoned after the production casing has been set and no casing has been pulled and:

- (a) the well is not within a pool and there is no danger of contamination of an upper formation by water channelling through the cement behind the casing;
- (b) there is no danger of bottom water contaminating the same formation in an offset well; or
- (c) the well has not been producing sufficient gas to be called a gas well;

the well is to be abandoned by:

- (d) setting a mechanical bridging plug immediately above the perforations or the open hole and a cement plug three metres in length on top of the bridging plug or setting a cement plug by displacement to extend:
 - (i) from below the perforations to at least 15 metres above the perforations; or
 - (ii) in the case of an open hole completion, from the bottom of the hole to at least 15 metres above the casing shoe;

and probing for the plug after waiting eight hours for the cement to harden and ensuring that the plug is able to withstand a force of 18 kilonewtons;

- (e) testing the bottom plug for proper shut-off;
- (f) filling the casing to the surface with an approved fluid;
- (g) cutting off the surface casing one metre below ground level and cutting off the production string one metre below ground level;
- (h) welding a steel plate in order to completely close off the annulus between the surface casing and the production casing; and
- (i) welding a steel plate in order to completely close off the end of the production casing.

15 Mar 85 cO-2 Reg 1 s37.

Production well abandonment inside pools

38(1) If a well is to be abandoned after the production casing has been set and no casing has been pulled and:

- (a) the well is within a pool and there is danger of contamination of an upper formation by water channelling through the cement behind the casing;
- (b) there is danger of bottom water contaminating the same formation in an offset well; or
- (c) the well has been producing sufficient gas to be called a gas well;

the well is to be abandoned by:

- (d) setting a cast iron retainer immediately above the highest perforated interval or open hole and squeezing cement into the fluid bearing formation until a satisfactory pressure is obtained indicating proper shut off; and
- (e) completing the abandonment program in accordance with clauses 37(e) to (i).

(2) Notwithstanding any other provision of this Part, the minister may, on application, approve special abandonment programs for depleted pools or depleted portions of pools.

15 Mar 85 cO-2 Reg 1 s38; 14 Dec 90 SR 96/90 s9.

Abandonment with production casing recovery

39 If the production casing is being recovered from a well, the well is to be abandoned by:

- (a) setting the first plug in accordance with clause 37(d) or 38(1)(d);
- (b) the remainder of the hole is to be abandoned in accordance with clauses 36(2)(a) to (f), except that all plugs are to be set before the bottom of the casing being pulled is moved above the lowest part of the interval to be plugged.

15 Mar 85 cO-2 Reg 1 s39.

Structure test hole and oil shale core hole abandonment

40(1) A structure test hole or oil shale core hole drilled to a total depth of more than 180 metres from the surface is to be abandoned by:

- (a) placing a cement plug of a minimum length of 15 metres immediately above, below or through each porous zone and, if the operator elects to set a plug through the porous zone, extending the plug from 15 metres below to 15 metres above the zone except where the bottom of the hole is in a porous zone;
 - (b) if any surface casing has been run, placing a cement plug of a minimum length of 30 metres across the surface casing shoe;
 - (c) cutting off the casing one metre below ground level;
 - (d) welding a steel plate over the end of the surface casing in order to completely close off the end; and
 - (e) if no surface casing has been run, running a cement plug from 15 metres below any potable fresh water sands to the surface.
- (2) If a structure test hole or an oil shale core is drilled to a total depth of less than 180 metres from the surface, it is to be abandoned by:
- (a) filling the hole with drilling mud and the material obtained during drilling;
 - (b) inserting a plug one metre in length in the hole to a depth of one metre below the surface;
 - (c) if the plug inserted in the hole is not made of concrete or cement, placing a plank five centimetres thick, 30 centimetres wide and 60 centimetres long immediately over the plug and filling the hole above the plank with dry cement to a depth of at least 15 centimetres;
 - (d) tamping and filling the hole to the top; and
 - (e) spreading any excess drilling mud and material over the surrounding ground.
- (3) On completion of a structure test hold or an oil shale core hole program, the owner shall file a record of the abandonment on approved forms.

15 Mar 85 cO-2 Reg 1 s40.

Licence to recover production casing

- 41(1) No person, other than an operator, shall recover or attempt to recover production casing from an abandoned well without first obtaining a licence to do so issued by the department.
- (2) An application for a licence to recover or attempt to recover production casing from an abandoned well is to be made to the department on an approved form and accompanied by:
- (a) a surface lease properly executed between the surface owner concerned and the applicant; and
 - (b) a fee as set forth in Appendix 1;
 - (c) **Repealed.** 26 May 89 SR 25/89 s7.

15 Mar 85 cO-2 Reg 1 s41; 26 May 89 SR 25/89 s7.

Time requirement before issuance of licence

42 No licence is to be issued for recovering or attempting to recover production casing from an abandoned well until more than 365 days have elapsed since the date of spudding the well or the date of surrender of the lease, permit, drilling reservation or similar disposition, if any, whichever date occurs later.

15 Mar 85 cO-2 Reg 1 s42.

Well used for fresh water

43 If a well or structure test hole to be plugged may be used safely as a fresh water well and that use is desired by the surface owner, the hole may be left unfilled above the required sealing plug set below the fresh water, but only if the surface owner agrees in writing and submits a copy of that agreement to the department.

15 Mar 85 cO-2 Reg 1 s43.

Restoration of surface

44 The operator of a well site and access road shall, on final abandonment and completion of the plugging of a well or structure test hole:

- (a) remove all refuse material from the well site and access road;
- (b) drain and fill all excavations;
- (c) remove concrete bases, machinery and materials;
- (d) level the surface and leave the area of the site and access road in conditions which are reasonably near to those that existed at the time when operations were commenced; and
- (e) submit to the department:
 - (i) a copy of the release from the surface owner indicating that the operator has restored the surface to the satisfaction of the surface owner; or
 - (ii) a certificate from the Surface Rights Compensation Board issued pursuant to subsection 56(2) of *The Surface Rights Acquisition and Compensation Act*.

15 Mar 85 cO-2 Reg 1 s44.

Notice of intention to rework

45 If an operator wishes to rework or recondition a well, he shall notify the appropriate field office of the department prior to commencement of the reworking or reconditioning.

15 Mar 85 cO-2 Reg 1 s45.

Notice of well completion

46 The operator shall notify the appropriate field office of the department of the completion of a well within 24 hours after the completion.

15 Mar 85 cO-2 Reg 1 s46.

Shooting and chemical treatment of wells

47 If damage is done to a well by perforating, chemically treating or fracturing, the owner shall promptly repair or abandon the well to the satisfaction of the minister if the repair or abandonment is reasonably necessary to prevent waste of oil or gas or to prevent injury or damage to persons or property.

15 Mar 85 cO-2 Reg 1 s47.

Inadequate completion

48 If it appears to the minister that oil, gas or water in a well is not effectively shut off, he may require the taking of tests or remedial measures, or both.

15 Mar 85 cO-2 Reg 1 s48.

Liability for improper abandonment

49(1) If abandonment is not carried out in accordance with these regulations and the directions contained in the minister's approval, the minister may require the operator to remedy the default or defect.

(2) If an operator does not comply with a requirement of the minister pursuant to subsection (1), the minister may instruct the department to take steps necessary to carry out abandonment in accordance with these regulations.

(3) All costs and expenses incurred by the department in carrying out the abandonment are to be paid by the operator to the minister on demand.

15 Mar 85 cO-2 Reg 1 s49.

PART IX

Prevention of Losses, Injuries, Damages and Fires

Oil and salt water storage

50(1) No oil, salt water or other fluids produced from a well may be stored in earth excavations or in storage receptacles that, in the opinion of the minister, are inadequate or likely to cause waste or loss or result in leakage, evaporation or fire hazards.

(2) Unless otherwise approved, all tanks or batteries of tanks are required to be surrounded by a dike of a capacity greater than that of the largest tank or any greater capacity required by the department, and the dike is to be maintained in good condition and free from high grass, weeds or combustible material.

15 Mar 85 cO-2 Reg 1 s50.

Location of batteries

51(1) If there are no applicable regulations made pursuant to *The Fire Prevention Act, 1980*, oil tanks or batteries of tanks are to be located so that the outer perimeter of any dike is not less than 75 metres from any:

- (a) road allowance, surveyed road, railway, pipeline, power line or other right of way;
- (b) aircraft runway or taxiway; or

- (c) dwelling, industrial plant, military building, permanent farm building, school or church;

unless, in the opinion of the minister, a shorter distance is justified by special circumstances.

- (2) No oil tank or battery of tanks is to be located within 45 metres of any well.

15 Mar 85 cO-2 Reg 1 s51; 4 Jly 97 SR 50/97 s11.

Well and battery site housekeeping

52(1) In this section:

- (a) **“contaminated product”** includes spilled material and any snow, soil, water or debris that the spilled material comes in contact with;
- (b) **“spilled material”** includes crude oil, salt water, condensate, natural gas liquids and any combination of those materials.

(1.1) Upon the completion of an oil or gas well, the operator shall clear the area around the well of all refuse material and, as soon as weather conditions permit:

- (a) drain and fill all excavations;
- (b) level the surface around the well; and
- (c) maintain the well site in a neat and orderly condition.

(2) Salt water, drilling fluid, waste oil or refuse from tanks or wells is not to be allowed to flow over the surface land.

(3) Rubbish or debris is to be removed from the well site, battery site or pump station.

(4) All waste oil and refuse from tanks or wells is to be drained into proper receptacles, located not less than 45 metres from any tank, well or building, and immediately removed from the well site, battery site or pump station.

(5) No inflammable or waste product of any kind from an oil or gas well is to be allowed to run into a water-covered area or onto any highway or public road.

(6) Where an oil spill or salt water spill occurs at any facility mentioned in subsection 106(1), the operator shall:

- (a) take immediate steps to contain and clean up the spilled material; and
- (b) ensure that the contaminated product is:
 - (i) processed in the operator’s own facility;
 - (ii) sent to an approved waste processing facility; or
 - (iii) disposed of in another manner that is satisfactory to the minister.

15 Mar 85 cO-2 Reg 1 s52; 26 May 89 SR 25/89 s8.

Fire equipment and engine exhaust safety

53(1) Every operator shall safeguard all fires used at his well by sufficient mechanical or other means to prevent the creation of any hazard.

(2) No flame-type equipment, including steam boilers, generators and heaters, is to be placed or remain within 23 metres of a well or oil storage tank, unless the well is:

- (a) a water supply well; or
- (b) a water injection well.

(3) No flame-type equipment is to be placed or remain within 23 metres of any separator or dehydrator unless the air intake of the burner is fitted with an adequate flame arrester.

(4) No flame-type equipment is to be located in the same building as any other flame-type equipment, separator or dehydrator unless:

- (a) the flues of all burners are located outside the building;
- (b) relief valves, safety heads and other sources of ignitable vapours are vented outside the building and discharged above roof level; and
- (c) the building is adequately cross-ventilated.

(5) An exhaust pipe from an internal combustion engine located within 23 metres of any oil or gas well, separator, oil storage tank or other unprotected source of ignitable vapour is to be constructed so that:

- (a) any emergence of flame along its length or at its end is prevented; and
- (b) the end is not closer than six metres to the vertical centre line of the well and is directed away from the well.

(6) All vessels and equipment from which ignitable vapours may issue are to be safely vented to the atmosphere, and all vent lines from oil storage tanks that are vented to flare pits are to be provided with flame arresters or other equivalent safety devices.

(7) All battery piping is to be properly arranged and provided with control valves for shutting off oil or gas in the event of fire in the battery installations.

(8) Notwithstanding subsection (2), the minister may, in his discretion, approve the use of open flame tank heaters in oil fields and pools where heavy gravity oil is produced.

(9) Notwithstanding any other provision of this section, the minister may approve any distance shorter than those set out in this section.

15 Mar 85 cO-2 Reg 1 s53.

Use of direct well pressures prohibited

54 No direct well pressure is to be used to operate any machinery, except gas-operated valves, regulators and chemical injector pumps.

15 Mar 85 cO-2 Reg 1 s54.

Vacuum devices prohibited

55 No vacuum pump or other device for the purpose of creating a vacuum in a gas or oil-bearing stratum is to be used unless, on application and after public notice, the minister approves its use.

15 Mar 85 cO-2 Reg 1 s55.

Uncontrolled well flow prohibited

56 No well is to be allowed to flow uncontrolled.

15 Mar 85 cO-2 Reg 1 s56.

Drill stem testing

57 No drill pipe is to be disconnected during a drill stem test unless:

- (a) the rig is adequately lighted by:
 - (i) natural light; or
 - (ii) floodlights which may be located within 23 metres of the wellhead but only if those floodlights have no electrical equipment capable of igniting gas or oil; or
- (b) there is no possibility of any oil or gas being present in the drill pipe.

15 Mar 85 cO-2 Reg 1 s57.

Diesel engine operations

58(1) An operator shall provide any diesel engine working within 23 metres of the well with:

- (a) adequate air intake shut-off valves, equipped with a remote control readily accessible from the driller's station;
 - (b) a system for injecting an inert gas into the engine's cylinders that is equipped with a remote control readily accessible from the driller's station;
 - (c) a suitable duct so that air for the engine is obtained at least 23 metres from the well; or
 - (d) another approved device.
- (2) When an installation is made in accordance with clause (1)(a) or (b), the operator shall test for the stopping of the engine by remote control:
- (a) before the cement plug at the shoe of the surface casing is drilled out or, if the well has been completed, before any servicing operations commence; and
 - (b) at least once in each seven-day period during the drilling or servicing of the well.
- (3) Each test pursuant to this section is to be reported with full particulars on the daily record of operations.

15 Mar 85 cO-2 Reg 1 s58.

Use of condensate

59(1) Before the operator of a well uses more than 1.5 cubic metres of condensate or other low flash point hydrocarbons in well completions or stimulations, he shall first obtain oral approval from a representative of the minister and shall:

- (a) not use open tanks for storing or gauging or measuring the pump rate;
- (b) maintain a minimum distance of 23 metres between the wellhead and storage tank;

- (c) install positive shut-off valves between the tank and pump and between the pump and well head;
- (d) install a check valve between the pump and the well to prevent back flow from the well;
- (e) pressure test all surface lines downstream from the pump to 10,000 kilopascals above the anticipated maximum pressure to be encountered; and
- (f) ensure that no significant wastage occurs.

15 Mar 85 cO-2 Reg 1 s59; 5 Jne 87 SR 39/87 s6.

PART X Drilling and Servicing Blow-out Prevention

General drilling blow-out prevention

60(1) Subject to subsection (9) and sections 61 to 63, the operator of a well being drilled shall install and at all times maintain blow-out prevention equipment containing:

- (a) a hydraulically operated annular-type preventer which is capable of closing over the open hole or any tool or drilling string utilized while drilling is in progress;
- (b) either:
 - (i) two hydraulically operated single-gate type preventers, one a blind-ram type and one a pipe-ram type; or
 - (ii) a hydraulically operated double gate type preventer utilizing pipe-rams and blind-rams;
- (c) a drilling spool containing flanged side outlets, one of which has a minimum inside diameter of 63.5 millimetres;
- (d) a flanged surface casing bowl, with the flange as an integral part of the bowl and with valves on both side outlets, which may not be removed without the permission of the minister;
- (e) a bleed-off line, located above the lowest ram-type preventer:
 - (i) with a minimum inside diameter of 63.5 millimetres;
 - (ii) connected to the drilling spool by means of two flanged valves each with a minimum inside diameter of 63.5 millimetres;
 - (iii) having flanged connections with a minimum inside diameter of 63.5 millimetres from the drilling spool down to and including the last control valve;
 - (iv) having in the discretion of the operator, screwed connections on that section of the bleed-off line downstream from the last choke manifold control valve;
 - (v) terminating at a flare pit which is a minimum of 45 metres from the well bore and is securely tied down; and
 - (vi) constructed of:

- (A) straight pipe or pipe with 1.57 radian bends consisting of running tees bull-plugged on fluid turns; or
- (B) an approved fire proof flexible hose which, at a minimum:
 - (I) has a pressure rating equal to that of the blow-out preventer system;
 - (II) has factory installed connections;
 - (III) is sheathed to provide an adequate fire resistant rating;
 - (IV) is marked so that its manufacturer can be readily determined;
 - (V) does not contain any bends with a radius less than the manufacturer's specified minimum bending radius; and
 - (VI) is secured to prevent stresses on the connecting valves and piping and is protected from mechanical damage;
- (f) a kill line which is:
 - (i) located above the lowest ram preventer by means of two full opening valves; and
 - (ii) constructed of:
 - (A) steel lines; or
 - (B) a fire-proof flexible hose constructed to the same minimum standards for the bleed-off line as specified in paragraph (vi)(B); and
 - (C) connected to the rig pump manifold;
- (g) a choke manifold which:
 - (i) contains a gauge connection at which well pressure may be measured;
 - (ii) is located:
 - (A) outside of, but not attached to, the substructure; or
 - (B) at some approved predetermined point;
 - (iii) is at all times readily accessible;
 - (iv) has a centre run of the manifold with a minimum inside diameter of 63.5 millimetres containing flanged connections;
 - (v) has side wings, which may be constructed of 50 millimetre nominal diameter fittings and contain screwed connections, but which are to be equipped with two chokes at least one of which is adjustable;
- (h) a valve in the kelly assembly or at the base of the drill string that can keep undue pressure off the kelly hose; and
- (i) stabbing valves that can be connected to the top of any drill pipe in the well.

(2) All blow-out prevention components in the blow-out prevention stack, bleed-off line and manifold are required to have a minimum safe working pressure of 14,000 kilopascals.

(3) Prior to any drilling below the surface casing shoe, the complete blow-out prevention system is to be satisfactorily pressure tested to 7,000 kilopascals, or an approved pressure, down to and including the last valve on the choke manifold.

(4) The operating controls for each blow-out preventer and any hydraulically operated valve which may be installed on the bleed-off line are to be located with unrestricted access near the driller's station and an additional set of clearly marked operating controls are to be located at least 20 metres from the well.

(5) If fluid under pressure is used to operate blow-out preventers, the operator shall use an accumulator system:

(a) of sufficient pressure and capacity to:

(i) effect full closure of the annular preventer and to open the hydraulically operated valve on the bleed-off line; or

(ii) simultaneously close the annular preventer and one element of the ram-type preventer if the valve on the bleed-off line is not hydraulically operated;

and at the same time retain a pressure of 8,400 kilopascals at the pressure source and recover within five minutes the accumulator pressure drop following the effecting of the activity described in subclause (i) or (ii);

(b) that is connected to a nitrogen emergency source of not less than 12,500 kilopascals, and with nitrogen containers having pressure gauges installed or readily available for installation, capable of opening the hydraulically operated valve on the bleed-off line, and closing both the annular preventer and one element of the ram-type preventer.

(6) All ram-type blow-out preventers that are not equipped with automatic ram locking devices are required to have hand wheels installed or readily accessible for installation.

(7) While a well is being drilled, the operator shall:

(a) operate appropriate blow-out prevention equipment daily and, if he finds the equipment to be defective, he shall make it serviceable before operations are resumed; and

(b) report the full particulars of all testing in the daily drilling record including, in the case of a pressure test, the pressure applied and the duration of the test.

(8) The operators of all drilling blow-out prevention equipment shall:

(a) ensure that all persons employed on the drilling rigs have an adequate understanding of, and are able to operate, the blow-out prevention equipment; and

(b) maintain blow-out prevention equipment so that its operation will not be impaired by low temperatures.

(9) The minister may:

- (a) at his own initiative; or
- (b) on application by the operator;

prescribe any variation in blow-out prevention equipment that the minister considers expedient.

15 Mar 85 cO-2 Reg 1 s60; 4 Jly 97 SR 50/97
s12.

Tangleflags Area

61(1) In this section, “**Tangleflags Area well**” means any well drilled within Township 50, 51 or 52, in Ranges 22 to 26, inclusive, west of the Third Meridian, in the Province of Saskatchewan.

(2) The operator of a Tangleflags Area well being drilled shall install and at all times maintain blow-out prevention equipment in compliance with section 60, with the following equipment specification exceptions:

- (a) one of the flanged side outlets on the drilling spool is required to have a minimum inside diameter of 76.2 millimetres;
- (b) the minimum inside diameter for all bleed-off line specifications is 76.2 millimetres; and
- (c) the center run of the choke manifold is required to have a minimum inside diameter of 76.2 millimetres.

(3) The operator of a Tangleflags Area well may, in lieu of the 76.2-millimetre inside diameter specifications mentioned in subsection (2), substitute 76.2 millimetre nominal equipment, but only if an additional 76.2 millimetre nominal line from the blow-out prevention stack to the flare pit is incorporated.

(4) The outlet for the additional line mentioned in subsection (3) may be incorporated directly in the blow-out prevention stack or spool, but only if a flanged connection is an integral part of the blow-out prevention stack or spool.

15 Mar 85 cO-2 Reg 1 s61.

Medicine Hat Area

62(1) In this section, “**Medicine Hat Area well**” means any well drilled to develop the Medicine Hat formation in south-west Saskatchewan as designated by the minister.

(2) The operator of a Medicine Hat Area well being drilled shall install and at all times maintain blow-out prevention equipment in compliance with section 60, with the following equipment specification exceptions:

- (a) either:
 - (i) a hydraulically operated annular type preventer; or
 - (ii) a hydraulically operated double-gate type preventer utilizing pipe-rams and blind-rams;

is to be installed;

- (b) the surface casing bowl is required to have two 50 millimetre side outlets;
- (c) the bleed-off line may contain flanged or screwed connections but is required to:
 - (i) have a minimum inside diameter of 50 millimetres for all bleed-off line specifications; and
 - (ii) be connected to one outlet of the surface casing bowl by means of a valve having a nominal diameter of 50 millimetres;
- (d) the choke manifold is required to have:
 - (i) a centre run with a minimum nominal diameter of 50 millimetres, but it may contain screwed fittings; and
 - (ii) side wings that are constructed with 50 millimetre nominal diameter fittings, but they may contain screwed fittings.

15 Mar 85 cO-2 Reg 1 s62; 4 Jly 97 SR 50/97 s13.

Milk River Area

63(1) In this section, “**Milk River Area well**” means any well drilled to develop the Milk River formation as designated by the minister.

(2) The operator of a Milk River Area well being drilled shall install and at all times maintain blow-out prevention equipment in compliance with section 60, with the following equipment specification exceptions:

- (a) the equipment specifications are those provided for a Medicine Hat Area well in section 62;
 - (b) if air drilling is undertaken, equipment specifications are those provided in subsection (3); or
 - (c) if mud drilling with the use of a conductor pipe is undertaken, equipment specifications are those provided in subsection (4).
- (3) If the operator of a Milk River Area well undertakes air drilling, the blow-out prevention stack of the well is required to contain:
- (a) a full opening drill through valve;
 - (b) a rotary stripper head;
 - (c) a drilling spool containing an outlet with a nominal diameter of at least 100 millimetres;
 - (d) a surface casing bowl containing a valve on each of two 50 millimetre side outlets; and
 - (e) a bleed-off line which:
 - (i) has a minimum nominal diameter of 100 millimeters;
 - (ii) is connected to one of the 100 millimetre nominal diameter outlets of the drilling spool; and
 - (iii) contains flanged or screwed fittings.

- (4) If the operator of a Milk River Area well undertakes mud drilling, he may use conductor pipe but only if the blow-out prevention stack of the well contains:
- (a) a hydraulically operated annular type preventer;
 - (b) a surface casing bowl or a drilling spool that has two 50 millimetre side outlets;
 - (c) a bleed-off line which:
 - (i) has a minimum nominal diameter of 50 millimetres;
 - (ii) is connected to one outlet of either the surface casing bowl or the drilling spool by means of a valve having a nominal diameter of 50 millimetres; and
 - (iii) contains flanged or screwed fittings;
 - (d) a conductor pipe which may be used in lieu of surface casing only if:
 - (i) the conductor pipe is set a minimum of 18 metres, is equipped with at least one centralizer and is cemented along its full length by the circulation method;
 - (ii) the conductor pipe portion of the well bore is at least 100 millimetres greater in diameter than that of the conductor pipe; and
 - (iii) when the conductor pipe is used, the bleed-off line valve is never shut in because it is to be used as a diverter system only.

15 Mar 85 cO-2 Reg 1 s63.

Servicing blow-out prevention equipment and requirements

64(1) The operator of a well being completed, serviced or reconditioned, any of which involves the movement of tubing, shall install and at all times maintain blow-out prevention equipment containing:

- (a) an annular-type preventer;
 - (b) two single gate ram-type preventers, one a blind-ram type and one a pipe-ram type; or
 - (c) a double-gate type preventer utilizing pipe rams and blind rams.
- (2) All servicing blow-out preventer installation components are to have a minimum safe working pressure of 14,000 kilopascals or a pressure prescribed by the department as adequate.
- (3) Manually operated gate type preventers may be used, in which case the operator shall have clearly marked manual controls located behind steel shields at least six metres from the well.
- (4) All servicing blow-out preventers which are hydraulically operated are to:
- (a) be equipped with an accumulator system capable of providing fluid of sufficient volume and pressure to effect full closure of the preventers a minimum of two times without being recharged;
 - (b) have one set of clearly marked operating controls immediately at the operator's station and an additional set of clearly marked controls located behind the furthest extremity of the rig; and

- (c) have hand wheels either installed or readily accessible for installation for ram-type blow-out preventers which are not equipped with a ram locking device.
- (5) The rig hydraulic system may be utilized to re-charge the accumulator.
- (6) The operators of all servicing blow-out prevention equipment shall:
 - (a) ensure that all persons employed on the rigs have an adequate understanding of and are able to operate the blow-out prevention equipment; and
 - (b) maintain blow-out prevention equipment so that its operation will not be impaired by low temperatures.
- (7) The operator shall ensure stabbing valves are maintained in good working condition and are readily accessible at all times for any tubing or pipe in the well.
- (8) The operator shall operate the blow-out prevention equipment daily and, if he finds any equipment defective, shall make it serviceable before operations are resumed.
- (9) Notwithstanding subsections (1) to (8), the minister may:
 - (a) at his own initiative; or
 - (b) on application by the operator;

prescribe any variation in servicing blow-out prevention equipment that he considers expedient.

15 Mar 85 cO-2 Reg 1 s64.

PART XI Production Operations

65 Repealed. 13 Sep 91 SR 79/91 s25.

66 Repealed. 23 Jne 89 SR 34/89 s2.

67 Repealed. 13 Sep 91 SR 79/91 s26.

Battery proration and individual well tests

68(1) Every well is to be tested monthly for the purpose of reporting monthly gas, oil and water production on approved forms, unless otherwise ordered by the minister.

(2) The tests are to be for a period equivalent to the interval required to produce a normal day's production at a normal producing rate.

(3) Measured test production for a period longer than 72 consecutive hours is not to be prorated but is to be shown as a separate entry on the production report submitted for the well being tested.

15 Mar 85 cO-2 Reg 1 s68; 13 Sep 91 SR 79/91 s27.

Well and battery testing equipment

69(1) The well-head, separator, treater, tanks and piping equipment are to include those valve connections that are necessary for sampling the oil, gas or water produced.

(2) Every battery is to be equipped with sufficient test separators, tanks and gas metering equipment to ensure that at least one production proration test for the prescribed period may be made each month.

(3) Well-head equipment is to be maintained in first class condition and the equipment is to be installed so that tubing, casing and static bottom hole pressures may be obtained at any time by representatives of the minister.

15 Mar 85 cO-2 Reg 1 s69.

Gas-oil ratios

70(1) No oil well is to be allowed to produce gas in excess of a gas-oil ratio of 3,500 cubic metres of gas to each cubic metre of oil, unless otherwise approved by the minister.

(2) **Repealed.** 13 Sep 91 SR 79/91 s28.

15 Mar 85 cO-2 Reg 1 s70; 14 Dec 90 SR 96/90 s11; 13 Sep 91 SR 79/91 s28.

Gas conservation

71 The minister may require the owner of an oil well from which gas is produced or another well producing or capable of producing gas to:

- (a) restrict or discontinue the production of gas from the well; or
- (b) collect and:
 - (i) utilize; or
 - (ii) sell;

the gas produced.

13 Sep 91 SR 79/91 s29.

Burning vented gas

72(1) The operator of an oil well shall burn any significant volume of gas that is vented to the atmosphere.

(2) No flare or end of flare line is to be located closer than 75 metres to any:

- (a) road allowance, surveyed road, railway, pipeline, power line or other right of way;
- (b) aircraft runway or taxiway; or
- (c) dwelling, industrial plant, military building, permanent farm building, school or church;

unless otherwise approved.

(3) No flare pit or open end of a flare line is to be placed or remain within 45 metres of a well or oil storage tank or within 23 metres of any oil or gas processing equipment unless otherwise approved.

15 Mar 85 cO-2 Reg 1 s72.

Gas well tests

- 73(1)** The absolute open flow potential of every gas well is to be determined:
- (a) before being placed on production or within 30 days of being placed on production;
 - (b) within 30 days of any stimulation, reconditioning or recompletion; or
 - (c) whenever required by the minister.
- (2) The test to be used to determine the absolute open flow potential pursuant to subsection (1) is:
- (a) the 4-point isochronal or modified isochronal test; or
 - (b) any other test approved by the minister.
- (3) A test to verify the stabilized flow capability of every gas well must be carried out during the second year of production, using an approved method.
- (4) The operator of a well shall notify the appropriate field office of the department at least 24 hours in advance of any gas well test in order that the test may be witnessed by the minister's representative.
- (5) The operator of a gas well shall submit three copies of the results of all gas well tests conducted, including any tests run which exceed the minimum requirements, to the department within 30 days of the date on which the test was completed.
- (6) This section does not apply to wells in reservoirs used for gas storage unless otherwise ordered by the minister.

13 Sep 91 SR 79/91 s30; 4 Jly 97 SR 50/97 s14.

Liquid petroleum gases

- 74** The minister may order a test of the content of any gas and if, in his opinion, a product is present in an economic quantity that justifies extraction, he may order the separation, conservation and utilization of the product.

15 Mar 85 cO-2 Reg 1 s74.

Commingling of production prohibited

- 75** The production from a zone may not be commingled with that from another zone, before measurement, without the approval of the minister.

13 Sep 91 SR 79/91 s31.

Disposal of salt water and other wastes

- 76(1)** A plan for the disposal of oil-and-gas wastes or non-oil-and-gas wastes into subsurface formations must be accompanied by:
- (a) the written consent of all owners and all fee simple mineral owners, other than the Crown, that in the opinion of the minister may reasonably be adversely affected by the disposal; and
 - (b) any other information or material that the minister may require.
- (2) Without prior written approval, no person shall dispose of oil-and-gas wastes, including but not limited to drilling fluids and waste oil or refuse from tanks or wells, in a manner other than disposal into a subsurface formation.

(3) No operator shall allow oil-and-gas wastes or non-oil-and-gas wastes to constitute a hazard to public health or safety or to contaminate fresh water or arable land, notwithstanding any compliance or intended or purported compliance with a plan mentioned in subsection (1).

(4) All waste disposal wells and pressure maintenance wells are to be inspected by the department at least once every two years, or as directed by the minister, to ensure that:

- (a) there are no production casing, tubing or packer failures; and
- (b) the tubing-production casing annulus is filled with a satisfactory corrosion inhibiting fluid.

13 Sep 91 SR 79/91 s32.

Enhanced oil recovery projects

77(1) A plan for horizontal drilling or for any project for the enhanced recovery of oil or gas through the use of repressuring, pressure maintenance or other stimulation techniques, including the injection of oil, gas or other fluids, is to be submitted to the department for approval by the minister.

(2) The plan mentioned in subsection (1) is to contain any information and material that the minister may require.

(3) On approval by the minister of the plan mentioned in subsection (1), the applicant or person in charge of the fluid injection operations shall notify the department of:

- (a) the commencement date of operations; and
- (b) the discontinuance of the operations, together with the reasons for the discontinuance;

within 12 days of the commencement or discontinuance.

(4) **Repealed.** 13 Sep 91 SR 79/91 s33.

15 Mar 85 cO-2 Reg 1 s77; 13 Sep 91 SR 79/91 s33.

Salt water storage and emergency earthen pits

78(1) In areas determined by the minister:

- (a) installations handling less than 300 cubic metres of salt water per day are required to provide equivalent tankage; and
- (b) installations handling more than 300 cubic metres of salt water per day are to provide a minimum tank volume of 300 cubic metres and are to be supplemented with an approved emergency earthen pit or approved fail safe shut down controls.

(2) All new and replacement tanks are to be internally protected against corrosion and surrounded by a dike with a capacity equal to the largest tank or a greater capacity that the minister may require.

- (3) In approved areas, earthen pits may be used to contain salt water on an emergency basis if:
- (a) the pits are lined with a commercially available lining unless ministerial approval is obtained to dispense with the use of lining;
 - (b) pit size does not exceed production requirements;
 - (c) the pits incorporate an approved monitoring system which can monitor both horizontal and vertical seepage;
 - (d) the pits are used in an emergency only and their contents are disposed of within 48 hours in accordance with section 76; and
 - (e) the pits are maintained to prevent the escape of salt water and adequately fenced when fencing is dictated by safety considerations, or by a surface owner's request.
- (4) Any other method of salt water storage is to be approved.

15 Mar 85 cO-2 Reg 1 s78.

Orifice meters

- 79(1)** Each orifice meter is to be installed in accordance with the "Gas Measurement Committee Report No. 3" as published and amended from time to time by the American Gas Association.
- (2) The operator of a gas well shall, unless otherwise directed by the minister, use for the measurement of gas production:
- (a) a circular chart drive, not slower than seven days per cycle; or
 - (b) a suitable strip chart.
- (3) The operator of an oil well at which gas is produced shall use, for the metering of gas production, a 24-hour chart drive unless a slower chart drive is approved.
- (4) Charts used to record the measurement of gas produced in conjunction with oil are to be computed:
- (a) on a daily basis if a 24-hour circular chart drive is used;
 - (b) on a seven-day basis if a seven-day circular chart drive is used;
- and all such charts are to be preserved for a period of one year.
- (5) At installations where an orifice plate is bolted in place, the plate is to clearly show the size of orifice by figures stamped or cut into the metal of the plate, and no person shall rebore the plate or increase the orifice size without first removing or permanently defacing the old marking and substituting the new measurement prior to reinstallation.
- (6) The measured inside diameter of the pipe at the orifice, together with the date of measurement and name of person making the measurement, is to be clearly marked on the pipe near the orifice flanges and also inscribed in the meter shelter.
- (7) Whenever an orifice plate is changed, a record of the time of change and the size of the orifice of the plate removed and of the plate inserted is to be recorded on the meter chart and in the tour report.

- (8) If gas production is measured with an orifice meter, no orifice plate having an orifice size that exceeds the maximum size described in Table 3, for flange taps, or Table 8, for pipe taps, of the code published as "Gas Measurement Committee Report No. 3" is to be used.
- (9) Any orifice plates used in violation of subsection (8) are forfeited to the Crown and, in any such case, the minister shall determine the volume of gas produced by the well involved in that violation for the period prior to that forfeiture.
- (10) Orifice meter charts are to be clearly marked in order to indicate the well or wells being metered and the time and date of start and finish of records.
- (11) Coefficients for calculating meter charts are to be computed in accordance with the code published as "Gas Measurement Committee Report No. 3" mentioned in subsection (1).

15 Mar 85 cO-2 Reg 1 s79; 4 Jly 97 SR 50/97 s15.

Positive displacement meters, rotary type

80 If an operator uses a rotary displacement meter to measure gas production, he shall:

- (a) install the meter in accordance with the specifications recommended by the manufacturer;
- (b) install a dampening orifice downstream from the meter;
- (c) provide pressure taps immediately on each side of the meter, fitted with 6.53 millimetre valves so that a measurement of the differential pressure across the meter may be taken;
- (d) enter in the well or battery records all data necessary for calculating the volume of gas produced and correct the measured volume of gas produced for operating pressure, temperature and supercompressibility;
- (e) equip the meter with a non-reset counter;
- (f) install a thermometer well in the pipe near the meter;
- (g) take a temperature measurement of the gas stream at least once per week and enter it in the daily record;
- (h) in the case of test gas production from an oil well, equip the meter with:
 - (i) an index to correct the volume to base pressure conditions; or
 - (ii) chart recording equipment to record the volume throughput and the meter operating pressure;
- (i) in the case of total gas production from an oil well or group of oil wells, equip the meter with chart recording equipment to record volume throughput and the meter operating pressure unless otherwise approved; and
- (j) in the case of gas well production, equip the meter with chart recording equipment to record the volume throughput and the meter operating pressure unless otherwise approved.

15 Mar 85 cO-2 Reg 1 s80.

PART XII
Suspension and Shutting Down of Wells

Enforcement of regulations and orders

81(1) If, in the minister's opinion, a well is a menace to an oil, gas or water-bearing formation or to life or property and he considers remedial measures necessary but the owner of the well fails to use remedial measures that may be directed by the minister, the minister may, at the expense of the owner, take any steps and employ persons and equipment that he considers necessary to carry out the remedial measures and, for that purpose, he may:

- (a) enter on, seize and take possession of the well, together with the whole or part of the movable and immovable property in, on or about the well, or used in connection therewith and appertaining thereto; and
- (b) take over the management and control thereof for that time necessary to carry out the remedial measures.

(2) If the minister or his representative is satisfied that a well or drilling or servicing rig is operated in contravention of the Act or any regulations or orders made pursuant to the Act, he may, after giving any notice that he considers reasonable, shut down or cause the shut down of the contravening well or drilling or servicing rig and prohibit its operation until he orders otherwise.

15 Mar 85 cO-2 Reg 1 s81.

Sealing

82(1) The minister or his representative may, whenever he considers it necessary, seal or cause to be sealed any valve or meter installed at a well or on a pipeline, tank or other receptacle used for the storage or transportation of oil, gas or other fluid produced or withdrawn from the well.

(2) The minister or his representative shall notify the person in charge of operations at the well and the owner or his agent in writing of the affixing of any seal and the reasons therefore, except where a seal is affixed for battery proration tests or for an infraction of waste disposal regulations or orders.

(3) Except in the case of an emergency, no person shall tamper with or remove a seal affixed pursuant to subsection (1) without the permission of the minister or his representative.

15 Mar 85 cO-2 Reg 1 s82; 26 May 89 SR 25/
89 s9.

PART XIII
Well Data

Drill cutting samples

83(1) Unless otherwise directed by the minister, each operator shall cause to be taken at interval depths of five meters and shall preserve and maintain a series of samples of the various formations penetrated by the drill in drilling a well.

- (2) Two sets of samples taken pursuant to subsection (1) are to be:
- (a) cleaned and dried;

- (b) preserved in 11 millilitre (three dram) vials:
 - (i) labelled with the well name and licence number and the depth at which each sample was taken; and
 - (ii) contained in 24 centimetre by 34 centimetre trays labelled with the well name and licence number and the intervals of depth over which the samples were taken; and
- (c) submitted within 30 days after the finished drilling date prepaid to:

The Subsurface Geological Laboratory
 201 Dewdney Avenue East
 Regina, Saskatchewan
 S4N 4G3.

15 Mar 85 cO-2 Reg 1 s83; 4 Jly 97 SR 50/97
 s16; 5 Jan 2001 SR 106/2000 s6.

Cores and submission of cores

84(1) All cores taken from a core barrel, except those portions of cores which may reasonably be necessary to retain for analytical purposes, are to be protected from theft or misplacement and submitted prepaid to the laboratory mentioned in subsection 83(2) within 30 days after the finished drilling date of the well.

(2) All cores submitted to the laboratory are to be crated in proper stratigraphic order in sturdily constructed cardboard boxes that do not exceed the specifications and requirements set out in Table 1.

(3) No person shall destroy any core, except any portion that may be reasonably necessary for analytical purposes, without the approval of the minister.

(4) No person shall take any core out of Saskatchewan without the consent of the minister.

(5) Two copies of all core analyses made on cores from every well drilled in Saskatchewan are to be submitted to the department within 30 days after the analyses are completed.

(6) Every operator shall, within 10 days after the finished drilling date of a well from which cores are taken, submit to the department a statement showing the number of cores taken and the number of standard size core-boxes used to hold the cores.

(7) The minister may, as a condition for issuing a licence, require the owner of a well being drilled for oil or gas in a designated field or pool to core and test any formation from which production of oil or gas may be expected and, in the event that information is required, the owner shall submit it to the minister by the most expeditious method.

(8) All cores taken from oil shale core holes, except those portions that are necessary for analytical purposes, are to be submitted to the department in accordance with this section unless otherwise authorized by the minister.

(9) Two copies of all core analyses of cores taken from oil shale holes are to be submitted to the department within 30 days after the analyses are completed.

15 Mar 85 cO-2 Reg 1 s84; 4 Jly 97 SR 50/97
 s17.

Oil, gas and water analyses

85(1) If oil, gas or water appears in a well during drilling or production, the minister may require the operator to take and analyze a sample of the oil, gas or water at his own expense.

(2) The operator shall submit to the department three copies of each analysis that he causes to be made of oil, gas or water samples recovered within 30 days after the analysis is completed.

15 Mar 85 cO-2 Reg 1 s85; 4 Jly 97 SR 50/97
s18.

Log surveys for well and structure test holes

86(1) Prior to the completion or abandonment of a well, the operator shall have the following logs taken unless otherwise approved:

(a) an approved resistivity log or standard electric log, excluding contact logs, from surface casing shoe to total depth;

(b) an approved radioactivity log, including both natural and induced radioactivity or an approved porosity curve, commencing at a distance sufficiently above the top of the Paleozoic Erathem to give an accurate shale line, to the total depth if the well penetrates more than 15 metres into the Paleozoic Erathem.

(2) In selecting the log to be taken as required by clause (1)(a), the operator shall consider the general condition of the well and the fluid in the bore hole and select the log that gives the optimum information under existing conditions.

(3) Prior to the completion or abandonment of a structure test hole, the operator shall have an electrical log, or another approved log, taken with all pertinent data recorded on it unless permission to dispense with the taking of logs is obtained from the minister.

(4) On any well or structure test hole the operator shall, whenever directed to do so by the minister, take any other log or well survey that is generally recognized and in practical use in the oil and gas industry for obtaining subsurface information.

(5) Unless otherwise directed by the minister, the operator shall submit three complete and legible copies of all well logs or other well surveys to the department, together with all factual data, within 30 days after the logs or surveys are taken or made.

(6) All copies of resistivity and radioactivity logs are to be submitted to the department, wherever possible on the scale of one to 240, but on a scale of not less than one to 600, and copies of other types of logs are to be on the same scale as the original.

15 Mar 85 cO-2 Reg 1 s86; 4 Jly 97 SR 50/97
s19.

Bottom-hole pressure surveys

87 If a bottom-hole pressure survey of a well is made either on the operator's initiative or at the minister's direction:

- (a) the procedure regarding testing of wells and calibration of pressure gauges is to be in accordance with the manual, "Bottom-hole Pressure Surveys Testing and Calibration Procedure" issued by the department;
- (b) three copies of the results of the survey, together with any pertinent information that the minister may request regarding the manner in which the survey was carried out, are to be submitted by the operator to the department within 30 days after completion of the survey; and
- (c) the minister shall determine any question that may arise in the interpretation of the procedure manual and his interpretation is final.

15 Mar 85 cO-2 Reg 1 s87; 4 Jly 97 SR 50/97 s20.

Reservoir surveys

- 88(1)** Subject to subsection (2), the minister may require surveys of reservoirs containing oil or gas to be made in accordance with good oil field practice at any time and in any manner that he considers advisable.
- (2) At least two weeks prior to making a reservoir survey, a notice of survey is to be submitted to the department on an approved form.
- (3) Reservoir surveys may include:
- (a) the static bottom-hole pressures of shut-in wells;
 - (b) flowing bottom-hole pressures of producing wells included in the survey;
 - (c) the bottom-hole sample analysis of oil, if available;
 - (d) the productivity indices of individual wells in any pool; or
 - (e) any other information that the minister may require.
- (4) If a reservoir survey is required to be made pursuant to subsection (1), owners and operators shall permit and assist the minister in making tests that may be required by it, including bottom-hole pressure determinations.
- (5) The minister is not liable for any damage incurred as a result of making tests or surveys that may be required by this section.

15 Mar 85 cO-2 Reg 1 s88.

Submission of drill stem test data

89 If drill stem tests are taken, two copies of the drill stem test reports, including pressure charts, are to be submitted to the department within 30 days after the completion of the tests.

15 Mar 85 cO-2 Reg 1 s89; 4 Jly 97 SR 50/97 s21.

Geological report or summary

89.1 An operator who drills a horizontal well or who, at any time, drills a new horizontal section from that horizontal well shall, within 30 days after the rig release date, submit to the department:

- (a) three copies of a geological report, including sample descriptions; or
- (b) three copies of a geological summary and the accompanying lithological description log.

4 Jly 97 SR 50/97 s22.

Labelling of submissions

89.2 Every sample, core, analysis, log survey, test, form, report, statement or summary submitted in accordance with this Part must be accurately labelled with the official well name and licence number of the well.

3 Jly 98 SR 50/98 s6.

PART XIV
Records, Reports and Notifications

90 Repealed. 13 Sep 91 SR 79/91 s34.

91 Repealed. 13 Sep 91 SR 79/91 s34.

92 Repealed. 13 Sep 91 SR 79/91 s34.

Daily Drilling Record

93 A copy of the Daily Drilling Record is to be kept at every drilling rig and is to be readily available to a representative of the minister at all times.

15 Mar 85 cO-2 Reg 1 s93.

Notification of wildcat discoveries

94 If an operator discovers significant quantities of oil or gas in any formation in a wildcat well or water in a glacial drift, he shall notify the minister of the nature and quantity thereof by the most expeditious method.

15 Mar 85 cO-2 Reg 1 s94.

Well completion data reports

95(1) Three copies of a finished drilling report, certified by the owner or his authorized agent, are to be submitted to the department on an approved form within 30 days after the finished drilling date.

(1.1) In the case of a horizontal well, for each productive horizontal section, three copies of the finished drilling report, certified by the owner or his or her authorized agent, are to be submitted to the department on an approved form within 30 days after rig release.

(2) Two copies of a supplementary well data report certified by the owner or his authorized agent are to be submitted to the department on an approved form within 30 days after completion of any workover job that may be reasonably construed as having been carried out to change the producing characteristics of a well.

(3) The workover job report mentioned in subsection (2) is to include details on acidizing, formation fracturing, squeeze cementing perforations, reperforating and abandoning of a producing well.

(4) Service companies shall, on the request of the minister, submit reports and records showing gun perforating, hydraulic fracturing, cementing, shooting or chemical treatment on any well.

15 Mar 85 cO-2 Reg 1 s95; 4 Jly 97 SR 50/97 s23.

Well and plant records

96(1) Every person who produces, sells, purchases, acquires, stores, transports, refines or processes oil or gas shall keep and maintain complete and accurate records in Saskatchewan of the quantities of the oil or gas.

(2) The records mentioned in subsection (1) are to be available at all times for examination by the minister or his representative, and any person mentioned in subsection (1) may be required by the minister or his representative to submit to the department any reports that the minister may prescribe with respect to the oil, gas or any product derived therefrom.

(3) Every person who is the owner or has the control or management of a refinery, scrubbing plant or processing plant in Saskatchewan shall keep, at his office or other place of business in Saskatchewan, records of:

- (a) oil, gas or water received in to the refinery, scrubbing plant or processing plant;
- (b) the name and address of every person from whom the oil, gas or water was received;
- (c) the quantity and quality of oil or gas, and the quantity and type of water received from each person;
- (d) the price payable in respect thereof; and
- (e) every disposition by him of any product obtained from refining, treating or processing the oil, gas or water.

(4) If a well is producing or is capable of producing oil or gas, the owner shall keep, at his field office or other place of business in Saskatchewan, a daily record of the well on an approved form showing:

- (a) the oil, gas and water, including sediment, produced from the well;
- (b) the average separator pressure or, if a separator is not in use, the average treater pressure; and
- (c) full particulars of the disposition of all products of the well.

(5) If water or gas is injected or disposed of into a well, the owner shall keep, at his field office or other place of business in Saskatchewan, a daily record of the well on an approved form showing:

- (a) the gas or water injected or disposed of into the well;
- (b) the source from which the gas or water was obtained;
- (c) the particulars of any treatment to which the gas or water has been subjected; and
- (d) the pressure used in the injection of the fluid.

(6) The owner shall keep any other records that the minister may require.

(7) Every person operating a plant for processing oil or gas shall keep a daily record of the oil or gas processed during each month.

15 Mar 85 cO-2 Reg 1 s96.

97 Repealed. 13 Sep 91 SR 79/91 s35.

Prescription of standards

98(1) The minister may, where not otherwise provided for, prescribe the methods to be used for the measurement of oil, gas and water and the standard conditions to which such measurements are to be converted.

(2) Without restricting the generality of subsection (1), if the conditions of pressure and temperature of gas differ from the prescribed standard conditions, the minister may require the conversion of the volume from these conditions to the standard conditions.

(3) If the methods of measurement and standard conditions are prescribed pursuant to this section, those methods and standard conditions are to be used wherever the measurement of oil, gas or water is required.

15 Mar 85 cO-2 Reg 1 s98.

Measurement of production

99(1) If a well is producing oil or gas the operator of the well shall measure the production of oil, gas and water from the well in a manner satisfactory to the minister.

(2) Individual well production is, in all cases, to be separately measured unless permission has been obtained from the minister to commingle that production with the production from another well or wells prior to measurement.

(3) The minister may, on application, permit the keeping of records or filing of reports on a battery basis if two or more wells are tied to common storage and treating facilities and, in all such cases:

(a) approval of the minister is to be obtained before recording and reporting production from a well on a battery basis;

(b) the manner, frequency and duration of tests to be taken to establish the rates of production of each fluid for each well tied to the battery is to be as prescribed by the minister;

(c) the total commingled production of each fluid is to be prorated to the individual wells tied to the battery in the manner prescribed by the minister; and

(d) the production figures, prorated in accordance with clause (c), represent the production of each well for all purposes.

15 Mar 85 cO-2 Reg 1 s99.

Metering and measurement of gas

100(1) All gas produced is to be accurately measured with an approved gas meter unless the minister gives approval to dispense with the metering of gas.

(2) If the conditions of pressure and temperature differ from the standard conditions prescribed in clause 2(k), conversion of the volume from the conditions under which measurement is made to the standard conditions is to be made in accordance with the Ideal Gas Laws and corrected for deviation from the Ideal Gas Laws.

(3) Correction for deviation from the Ideal Gas Laws is to be based on the "Gas Measurement Committee Report No. 3" as published and amended from time to time by the American Gas Association.

- (4) If gas from several wells is brought to a common locality for metering for economy of operation, each meter is to be marked clearly to indicate the source of the gas.
- (5) Every bypass around a meter is to be closed by valves that effectively stop all flow of gas when closed and on every occasion when the bypass is operated or the gas does not reach the meter a suitable entry is to be made in the tour report.
- (6) Whenever the volume of gas at a well or battery requires correction for flowing temperature and there is no continuous recording of gas flow temperature, the operator shall equip each meter run with a thermometer well and take and record on the chart or in the daily record the temperature of the gas stream at least once per week.
- (7) Each meter is to be maintained in good working condition.
- (8) Purchasers of gas shall keep all meter charts and records on gas purchased in a permanent file for a period of at least one year and that information is to be made available to the minister on request.
- (9) The meter is to be suitably safeguarded from weather and interference by unauthorized persons.
- (10) In computing the quantity of gas passing through the meter during the period covered by a chart, the volume of all metered gas, together with a fair estimate of the volume of all unmetered gas during all periods in which the meter for any reason fails to record, is to be recorded.
- (11) The minister may permit group meter measurement or, after examination, may exempt any well from metering the volume of gas produced therefrom, but only if a satisfactory estimate of the volume of gas so produced is supplied to the department in lieu of the meter measurement.
- (12) On discovering a gas metering error, the owner shall have the meter corrected immediately and shall report corrected production to the department for the period during which the meter measured incorrectly.
- (13) The minister shall prescribe the method of computing gas charts or of reporting gas measurements and production to the department.

15 Mar 85 cO-2 Reg 1 s100.

Submission of reports and statements

101(1) Unless otherwise approved by the minister, every report, statement or application mentioned in this section must be complete and accurate and must be submitted to the department in the form and manner required by the minister:

- (a) in the case of a report or application mentioned in subsection (10), (11), (12), (13) or (14), within the time mentioned in that subsection; and
 - (b) in the case of a report or statement mentioned in any other subsection, on or before the last day of the month immediately following the end of the month with respect to which the report or statement is prepared.
- (2) Every operator of a well that produces oil, gas, water or any other substance during any month shall submit a statement showing:
- (a) the oil, condensate, gas, water and other substances, including sediment, produced or reproduced from the well during the month; and

- (b) the number of hours during which the well was on production in the month.
- (3) For the purposes of subsection (2), the reported gas production is to be the sum of the volumes of gas production as calculated from the daily gas charts required by section 100 together with a fair estimate of all unmetered gas produced during any period in which the gas was not measured for any reason.
- (4) Every operator of a well, battery or unit, as defined in clause 2(dd) of *The Crown Oil and Gas Royalty Regulations* and clause 2(y) of *The Freehold Oil and Gas Production Tax Regulations, 1995*, shall submit a complete and detailed report monthly showing:
 - (a) the particulars of any production, inventories, disposition, consumption or losses of oil, condensate, gas, water or other substance associated with the operation of that well, battery or unit;
 - (b) the particulars of any receipts from and deliveries to other facilities, including facilities outside Saskatchewan; and
 - (c) the particulars of any sales of oil, condensate, gas or other substance from that well, battery or unit, including the purchaser, point of sale, volume, price and value of sales, and including details of sales occurring outside of Saskatchewan.
- (5) Every special operator, within the meaning of section 9 of *The Crown Oil and Gas Royalty Regulations* and section 7 of *The Freehold Oil and Gas Production Tax Regulations, 1995*, who disposes of oil, gas or any other product produced from or allocated to a well, battery or unit during any month shall submit monthly to the department a report showing the particulars of any disposition and sale of oil, gas or any other product associated with the production from that well, battery or unit, including details of deliveries and sales occurring outside of Saskatchewan.
- (6) Every operator of a well shall submit a statement showing the results of the production test taken during any month to establish hourly rates of production for oil, condensate, gas, water and any other substance.
- (7) Each measured total quantity of oil, gas or water produced by a group of wells tied to a battery is to be apportioned to the individual wells in proportion to the relative test production in the manner outlined by the minister.
- (8) The total gas production from the battery includes the sum of:
 - (a) all group gas chart measurements;
 - (b) all individual test gas chart measurements; and
 - (c) estimates of all gas produced by the wells tied to the battery during the month and not measured for any reason.
- (9) If the operation of a well, battery, facility or unit is discontinued in any month without abandoning the well, battery or facility or terminating the unit, the operator of that well, battery, facility or unit shall continue to submit reports until the well, battery or facility is abandoned or the unit is terminated, or until the operator notifies the department that the well, battery, facility or unit is suspended or inactive.
- (10) Every operator of a new oil, gas, injection or disposal well or any other well shall submit a well activity report within 22 days after the first day of production, injection or disposal.

(11) The operator of a well who undertakes any operation to change the well's status or recompletes the well to a different zone shall submit a well activity report within 22 days after the first day of production, injection or disposal related to the change in the well's status or recompletion to a different zone.

(12) Every operator of a new or an existing facility shall submit to the department a facility code application within 22 days after:

- (a) the establishment of, or amendment to, a facility; or
- (b) the initial load/completion oil activity at the well.

(13) The operator of a well who suspends production, injection or disposal operations at a well for an indefinite period shall submit a well activity report within 22 days after the day of suspension.

(14) The operator of a well who resumes production, injection or disposal operations at a well, in the same zone that was suspended, shall submit a well activity report within 22 days after the day the well resumes production, injection or disposal operations.

(15) The operator of a well or a multi-well facility into which water, gas or any other substance is injected during any month for pressure maintenance or disposal purposes shall submit a statement showing:

- (a) the amount of water, gas or other substance received from each supplying well, battery or other source during the month, including receipts from sources outside Saskatchewan;
- (b) the total amount of water, gas or other substance injected or disposed into each well and each multi-well facility during the month;
- (c) the number of hours during which the well was on injection or used for disposal during the month; and
- (d) details of any inventories, consumption, losses and deliveries of water, gas or other substance associated with the operation of that well or multi-well facility during the month, including details of deliveries to facilities outside Saskatchewan.

(16) Every operator of a well, battery, facility or unit, and every special operator who disposes of oil, gas or any other product produced from or allocated to a well, battery, facility or unit, shall submit any other reports, statements or information that the minister may require.

5 Jan 2001 SR 106/2000 s7.

102 Repealed. 5 Jan 2001 SR 106/2000 s8.

Report of oil and gas purchases and sales

102.1(1) Every person who, during a month, purchases oil produced in Saskatchewan shall submit to the department a report showing:

- (a) the quantities and the values of purchases;
- (b) the source where the oil was produced;
- (c) the name of the source producer;
- (d) the point of purchase;

- (e) the density and sulphur content of the oil purchased; and
 - (f) any other information that the minister may require.
- (2) Every person who, during a month, purchases an oil stream that contains oil produced in Saskatchewan, including an oil stream that also contains oil produced outside of Saskatchewan, shall submit to the department a report showing:
- (a) the quantities and the values of purchases;
 - (b) the name of the previous purchaser of the oil stream;
 - (c) the point of purchase;
 - (d) the name of the oil stream;
 - (e) the density and sulphur content of the purchased oil stream; and
 - (f) any other information that the minister may require.
- (3) Every person who, during a month, sells to another purchaser or delivers to a refinery an oil stream containing oil produced in Saskatchewan, including an oil stream that also contains oil produced outside of Saskatchewan, shall submit to the department a report showing:
- (a) the quantities and the values of sales;
 - (b) the name of the purchaser of the oil stream or refinery name and location;
 - (c) the point of sale;
 - (d) the name of the oil stream;
 - (e) the density and sulphur content of the oil stream sold; and
 - (f) any other information that the minister may require.
- (4) Every person who, during a month, purchases natural gas and natural gas liquids produced in Saskatchewan shall submit to the department a report showing:
- (a) the purchases and disposition of those purchases; and
 - (b) any other information that the minister may require.
- (5) Reports required pursuant to subsections (1) to (4) must:
- (a) be complete and accurate;
 - (b) be made in the form and manner required by the minister; and
 - (c) be submitted on or before the last day of each month for the preceding month with respect to which the report was prepared, unless otherwise approved.

4 Jly 97 SR 50/97 s24; 5 Jan 2001 SR 106/2000
s9.

Arm's-length contract to be submitted

102.2(1) A producer or operator who is a seller of gas produced in Saskatchewan shall submit to the minister an executed copy of the first arm's-length written gas sales contract for the gas or a statement in writing of the terms and conditions of the first arm's-length unwritten gas sales contract for the gas, as the case may require, within 30 days after:

- (a) the day of execution of the gas sales contract that is in writing; or
 - (b) the day on which the gas sales contract that is not in writing is entered into.
- (2) If an amendment is made to a term or condition of a gas sales contract mentioned in subsection (1), the producer or operator shall submit to the minister, within 30 days after the day on which the amendment is executed or entered into, as the case may be:
- (a) an executed copy of the amendment if the gas sales contract is in writing; or
 - (b) a statement in writing of the terms and conditions of the amendment if the gas sales contract is not in writing.
- (3) If a producer or operator becomes aware that any information submitted pursuant to subsection (1) or (2) is incorrect, the producer or operator shall submit the correct information to the minister within 30 days after the day on which the producer or operator becomes aware that the information previously submitted is incorrect.

5 Jan 2001 SR 106/2000 s10.

Transporters' statements

103 Every person who during a month receives and transports oil, gas or other petroleum-related products that are produced in Saskatchewan shall submit to the department a statement showing the following for that month:

- (a) quantities received from supply sources, including receipts from supply sources that are outside Saskatchewan;
- (b) supply details and receipts, including source well, facility, battery, system, cavern, pool, field, gathering or tariff area, receipt point, meter station, source province or state, source producer, quality information and whether the oil, gas or product was received by truck or pipeline;
- (c) quantities delivered or transported;
- (d) delivery details, including the names of shippers, oil stream type, receiving system, receiving facility, delivery point and final consumer;
- (e) inventories, losses, adjustments and consumption;
- (f) any other information that the minister may require.

5 Jan 2001 SR 106/2000 s11.

Refiners' statements

104 Every person who during a month operates a refinery or upgrader shall submit to the department a statement showing the following for that month:

- (a) quantities of oil, gas or other petroleum-related products received from supply sources, including receipts from supply sources that are outside Saskatchewan;
- (b) supply details, including source supplier, stream type, quality information, source pipeline, source facility and source province or state;
- (c) values of each quantity received;

- (d) quantities of refined products produced, consumed, delivered, transported and sold;
- (e) refined product disposition details, including value of sales and destination;
- (f) inventories, losses, adjustments and consumption;
- (g) any other information that the minister may require.

5 Jan 2001 SR 106/2000 s12.

Plant statements

105(1) Every person who during a month operates a plant engaged in the processing, scrubbing or purification of gas shall submit to the department a statement showing the following for that month:

- (a) quantities of raw or marketable gas or any other products received from supply sources, including receipts from supply sources that are outside Saskatchewan;
- (b) value of raw or marketable gas or any other products received;
- (c) supply details, including source producer, source well, facility, battery, system, cavern, pool, field, receipt point, meter station and source province or state;
- (d) quantities of products derived;
- (e) product quantities delivered, transported and disposed of;
- (f) values of products delivered or sold;
- (g) delivery details, including receiving system, facility, pipeline, delivery point, meter station and final consumer;
- (h) inventories, losses, adjustments and consumption;
- (i) any other information that the minister may require.

(2) Every person who during a month operates a cleaning or treating plant shall submit to the department a statement showing the following for that month:

- (a) for a cleaning or treating plant operating within Saskatchewan, the receipt details of any oil, gas, water or any other product that is produced in Saskatchewan and received from outside Saskatchewan;
- (b) for a cleaning or treating plant operating outside Saskatchewan, the receipt details of oil, gas, water or any other product that is produced in Saskatchewan;
- (c) supply details, including source well, facility, battery and source producer;
- (d) quantities delivered or sold and details of deliveries, including receiving facility, system, battery, shipper, purchaser and point of sale;
- (e) inventories, losses, adjustments and consumption;
- (f) any other information that the minister may require.

5 Jan 2001 SR 106/2000 s13.

Form of statement

105.1 A statement required to be submitted pursuant to sections 103 to 105 must:

- (a) be complete and accurate;
- (b) be made in the form and manner required by the minister; and
- (c) be submitted on or before the last day of the month immediately following the end of the month with respect to which the report or statement is prepared, unless otherwise approved.

5 Jan 2001 SR 106/2000 s13.

Notification of fires, breaks, leaks and blowouts

106(1) The operator of:

- (a) an oil or gas well;
- (b) a pipeline, flow line, salt water transmission line or product pipeline in which oil, salt water, condensate, product or gas is transferred; or
- (c) a receiving, condensate, product or gas tank, storage tank or any storage receptacle in which oil, salt water, condensate, product or gas is received or stored;

shall notify the department, by the most expeditious method, of any:

- (d) fire; or
- (e) blow out, break, leak or malfunction of any equipment which results in:
 - (i) oil, salt water, condensate or product escaping beyond the operator's lease or property; or
 - (ii) oil, salt water, condensate or product in excess of 1.6 cubic metres escaping within the operator's lease or property; or
- (f) loss exceeding 28,000 cubic metres of gas.

(2) An operator described in subsection (1) shall, within 30 days of notifying the department as required by that subsection, submit a written report to the department containing:

- (a) the exact location of the spill including:
 - (i) the legal subdivision, section, township, and range of the accident; and
 - (ii) any other geographic or other information which may be necessary to establish the exact location of the spill;
- (b) details of any remedial clean up steps taken, in progress or proposed;
- (c) an estimate of the initial oil, salt water, condensate, product or gas lost and a further estimate of any subsequent recovery;
- (d) an estimate of the extent of pollution to:
 - (i) the land;
 - (ii) the underground water and any water-covered area; and
 - (iii) the air.

Access to well, plant records, etc.

107(1) At all reasonable times, the minister or his representative is entitled to:

- (a) have access to any well, equipment, plant or records;
 - (b) enter on and inspect any well or place where oil or gas is refined, handled, processed or treated or any place used or occupied in connection with a well or place where oil or gas is refined, handled, processed or treated;
 - (c) inspect all books, documents, records, plants and equipment pertaining to any well or place described in clause (b);
 - (d) after having notified the operator in sufficient time to enable him to have a representative present, take samples or to carry out tests or examinations in accordance with good field practice.
- (2) Every person authorized by the minister to exercise the powers conferred on him pursuant to subsection (1) shall, on request, produce his certificate of authority from the minister at any time during which he is exercising those powers.
- (3) Notwithstanding any other provision of these regulations, the operator shall file any information with respect to drilling and production of any well that the minister may require at a time and place specified by the minister.

15 Mar 85 cO-2 Reg 1 s107.

Release of drilling information and confidential status

108(1) The department shall hold in confidence all information obtained from drilling a well or structure test hole outside a pool established pursuant to clause 17(1)(a) of the Act and submitted to the department as required by the Act and these regulations or an order made pursuant to the Act:

- (a) for a period of one year from the finished drilling date; or
 - (b) for a period not exceeding 18 months from the finished drilling date if:
 - (i) circumstances that the minister considers exceptional exist; and
 - (ii) the minister approves the longer confidential period for that information.
- (2) All information obtained from drilling a well or structure test hole within the boundaries of a designated pool and submitted to the department as required by the Act and the regulations or orders made pursuant to the Act remains confidential for:
- (a) 30 days after finished drilling date if one year has elapsed since the finished drilling date of the discovery well for the pool;
 - (b) one year if the well is to be drilled more than 150 metres below the datum of the lower most producing horizon in the pool as provided by minister's order; or
 - (c) one year if, within 30 days after the finished drilling date, the owner establishes to the satisfaction of the department that the well is completed exclusively in a pool deeper than the designated horizon in an existing pool.

(3) No person shall release for public inspection any information obtained from drilling a well and submitted to the department as required by the Act and the regulations or orders made pursuant to the Act from confidential status prior to the time it ceases to have confidential status without the written consent of the owner of the well.

15 Mar 85 cO-2 Reg 1 s108; 13 Sep 91 SR 79/91 s41; 4 Jly 97 SR 50/97 s26.

PART XIV.1 Waste Processing Facilities

Interpretation of Part

108.1 In this Part, “**existing waste processing facility**” means a waste processing facility that, on the day on which this Part comes into force:

- (a) is constructed;
- (b) is being constructed; or
- (c) is in operation.

26 May 89 SR 25/89 s10.

Approval

108.2(1) Where the minister is satisfied that it is appropriate to do so, the minister may approve the construction and operation of a waste processing facility.

(2) The minister may impose any terms and conditions on an approval pursuant to subsection (1) that the minister considers appropriate.

26 May 89 SR 25/89 s10.

Prohibition

108.3(1) Subject to subsection (2), no person shall construct or operate a waste processing facility without the approval of the minister.

(2) No person shall operate an existing waste processing facility without the approval of the minister after the earlier of:

- (a) the expiry of 182 days after the day on which this Part comes into force; or
- (b) the day on which the person is served with notice that the person’s application for approval has been denied by the minister.

26 May 89 SR 25/89 s10.

Application

108.4 An application for an approval pursuant to subsection 108.2(1) shall be submitted to the minister on a form supplied by the department.

26 May 89 SR 25/89 s10.

Monthly report

108.5(1) The operator of a waste processing facility shall submit to the department a complete and detailed statement setting out for the month with respect to which the report is prepared:

- (a) the quantities and values of waste products received during the month, itemized by place of origin and supplier;
- (b) opening and closing inventories;
- (c) the disposition of all fluids and solids reclaimed; and
- (d) any other information that the minister considers necessary.

(2) The report required to be submitted pursuant to subsection (1) must be submitted:

- (a) on or before the last day of the month following the month with respect to which the report is prepared, unless otherwise approved; and
- (b) on an approved form.

13 Sep 91 SR 79/91 s42.

Shutting down

108.6(1) Where, in the opinion of the minister, the operator of a waste processing facility has contravened:

- (a) the Act;
- (b) any regulations made pursuant to the Act;
- (c) any order issued pursuant to the Act; or
- (d) any term or condition of any licence or ministerial approval issued pursuant to the Act with respect to the facility;

the minister may order the operator to shut down the facility.

(2) Where the operator of a waste processing facility fails to comply with an order made pursuant to subsection (1), the minister may seal or cause to be sealed any valve or meter installed at the waste processing facility.

(3) The minister shall give written notice to the operator of the waste processing facility of the affixing of any seal pursuant to subsection (2) and the reasons for it.

(4) Except in the case of an emergency, no person shall:

- (a) tamper with; or
- (b) remove;

a seal affixed pursuant to subsection (2) without the permission of the minister.

26 May 89 SR 25/89 s10.

PART XIV.2
General

Filing of forms, reports, statements and well data

108.7 Every person required to file or submit a sample, core, analysis, log, survey, test, form, report, statement or application pursuant to the Act, regulations or orders of the minister shall file or submit a complete and accurate sample, core, analysis, log, survey, test, form, report, statement or application in the form and manner required by the minister and within the time prescribed by the Act, regulations or orders of the minister, as the case may be.

5 Jan 2001 SR 106/2000 s15.

Confidentiality of information submitted

108.71(1) Information submitted to or acquired by the department on forms, reports, statements or gas sales contracts pursuant to sections 101 to 105 and section 108.5 is, subject to subsection (2), confidential.

(2) The following information is not confidential and may be made available to the public:

- (a) the surface and bottom hole locations, operator, well type and status, producing or injection horizon, crude type and producing or activity dates of a well or facility;
- (b) monthly, yearly and cumulative totals of oil, gas, water or any other substance produced from a well and the hours on production;
- (c) monthly, yearly and cumulative totals of fluid or any other substance injected or disposed into a well or an underground storage facility and the hours on injection;
- (d) monthly, yearly and cumulative totals of oil, gas, water or any other substance produced from a pool, unit, project or facility;
- (e) monthly, yearly and cumulative totals of fluid or any other substance injected or disposed into a pool, unit, project or facility;
- (f) monthly, yearly and cumulative totals of oil, gas, water or any other substance that is produced, injected, received, delivered, disposed, transported, sold, purchased or consumed.

(3) Where information submitted to or acquired by the department is not available to the public because it is confidential, the minister may, with the written consent of the person by whom it was submitted or from whom it was acquired, make the information available to the public.

(4) Notwithstanding subsection (1), the minister may make any information available to a peace officer or to any of the following if the minister considers it to be in the public interest to do so and if the minister is satisfied that the recipient of the information will, to the extent consistent with the intended use of the information, keep the information confidential:

- (a) the government of a foreign country or state;
- (b) the Government of Canada;
- (c) the Government of another province or territory of Canada;

- (d) a municipality;
- (e) any other department of the Government of Saskatchewan;
- (f) an agency of any of the entities mentioned in clauses (a) to (e).

5 Jan 2001 SR 106/2000 s15.

Penalty

108.8(1) The penalty for failing to comply with section 108.7 respecting a sample, core, analysis, log, survey, test, form or report required for a well pursuant to section 31, Part XIII or section 95 by the prescribed date is \$100 per day for each well with one or more samples, cores, analyses, logs, surveys, tests, forms or reports that are late or deficient.

(2) The penalty for failing to comply with section 108.7 respecting a form, report, statement or application required pursuant to section 101, 102.1, 103, 104, 105, 105.1 or 108.5 by the prescribed date is \$10 per day for each form, report, statement or application that is late or deficient.

(3) For the purposes of subsections (1) and (2), a sample, core, analysis, log, survey, test, form, report, statement or application required to be filed or submitted is not considered to be filed or submitted until it has been received at the department's offices in Regina.

(4) The minister may, in writing, waive the payment of the whole or any portion of a penalty prescribed in subsection (1) or (2) where:

- (a) the penalty, or a portion of the penalty, was levied in error;
- (b) the failure to comply with section 108.7 was due to a cause outside the control of the person required to comply with that provision and could not have been avoided by the exercise of due care; or
- (c) in the minister's opinion, it is appropriate and in the public interest to do so.

5 Jan 2001 SR 106/2000 s15.

Manner of publishing orders

108.9 For the purposes of subsection 19(1) of the Act, the prescribed manner of publishing an order made pursuant to the Act is by posting it on the department's Internet website.

16 Sep 2005 SR 88/2005 s6.

PART XV

Repeal and Coming into Force

Repeal

109 *The Oil and Gas Conservation Regulations, 1969* being Order in Council 2272/68 are repealed.

15 Mar 85 cO-2 Reg 1 s109.

TABLE 1
[Section 84]

Specifications and Requirements of Core Boxes

DIAMETER OF CORE (in centimetres)	MAXIMUM OUTSIDE DIMENSION OF BOX (in centimetres)			ROWS PER BOX
	LENGTH	WIDTH	HEIGHT	
6.0 to 7.6	80	17.0	8.5	2
7.7 to 8.9	80	20.5	10.0	2
9.0 to 11.4	80	12.5	12.0	1
11.5 to 14.0	80	15.5	15.0	1

1. One end of the lid of the core box and one end of the body of the core box is to be marked to indicate:
 - (a) the name, licence number and location of the well;
 - (b) the core number and its depth interval; and
 - (c) the box number expressed as, “ _____ of _____ boxes”.
2. The top of the core is to be placed at the labelled end of the body of the core box and the top and bottom of the core are to be legibly marked on a conspicuous part of the body of the core box.
3. The body of the core box is to contain a single folded divider covering the bottom of the box and extending upwards to separate the rows of core.
4. No flaps covering the core are to be used.

15 Mar 85 cO-2 Reg 1; 5 Jan 2001 SR 106/2000
s17.

Appendix 1
FEES

<u>DESCRIPTION</u>	<u>AMOUNT</u>
1 Application for licence for a well (section 10)	\$ 450.00
2 Application for licence to deepen or respuad an abandoned well (section 11)	225.00
3 Application for licence to drill a structure test hole or oil shale core hole (section 12)	30.00
4 Application for transfer of a licence by assignment (section 18)	50.00
5 Application for change of a well name (sections 7 and 8)	50.00
6 Application for licence to remove production casing from an abandoned well (section 41)	110.00

14 Aug 92 SR 72/92 s2; 3 Jly 98 SR 50/98 s7.

Appendix 2
AVERAGE PRODUCING DEPTHS FOR ESTABLISHED POOLS
[*Section 108*]

Repealed. 4 Jly 97 SR 50/97 s29.