



GUIDELINE FOR APPLICATION FOR ACKNOWLEDGEMENT OF RECLAMATION

Background:

Under the current Licensee Liability Rating (LLR) Program, found in Section 44 of *The Oil and Gas Conservation Regulations*, a deemed reclamation liability is assigned to each well and each facility licence. When a well or facility is no longer used for the purpose for which it was intended, the well or facility must be abandoned and the site is required to be assessed, decommissioned and reclaimed. This document provides a consolidation and guideline of existing regulatory requirements that must be met in order to lower or eliminate the deemed reclamation liability for a specific well or facility. At such time as the deemed reclamation liability is set to zero, an Acknowledgement of Reclamation is issued by the Ministry of Energy and Resources (ER).

Please be advised, this guidelines specified requirements may change at any time without notice, and the user should check frequently for updates.

In order to obtain an Acknowledgement of Reclamation the following components must be included in the application:

- Cover Letter
- Reclamation Report with Environmental Site Assessment
- Surface Release

These requirements are explained in detail below.

Environmental Site Assessment (ESA):

- A Phase 1 Environmental Site Assessment and higher phases of ESAs are required on every abandoned well or facility site pursuant to section 44(1) and 44(2) of *The Oil and Gas Conservation Regulations, 1985*, with the exception of :
 - An abandoned well:
 - where there is a signed release from the surface owner indicating that the licensee has restored the surface to the satisfaction of the surface owner and is dated prior to June 19, 2007; or

- where a certificate from the Surface Rights Compensation Board is issued pursuant to subsection 56(2) of *The Surface Rights Acquisition and Compensation Act* and was initiated prior to June 19, 2007.

In both cases, the licensee must provide a copy of the aforementioned surface release or certificate to Energy and Resources.

- Guidelines for Environmental Site Assessments:
 - Environmental Site Assessment Procedures for Upstream Petroleum Sites, SPIGEC 5 can be found at <http://www.er.gov.sk.ca/opmanual>
 - All phase I assessments must include a site visit.
- Guidelines for Remediation Criteria:
 - Saskatchewan Upstream Petroleum Sites Remediation Guidelines, SPIGEC 4 can be found at <http://www.er.gov.sk.ca/opmanual>
- Certification of Personnel:

ESAs and remediation work must be performed by third-party (arms length) personnel who are certified in their respective profession. Certified personnel must possess knowledge based on an appropriate combination of formal education, skills, and experience in order to provide a technically sound and rational assessment and clean-up. They must be familiar with upstream oil and gas operations, as well as applicable federal, provincial and municipal legislation and published guidelines used to evaluate the presence of contamination on a property.

NOTE – ER is not opposed to the use of site assessment guidelines and remediation criteria currently in use in similar jurisdictions. To pursue this, justification must be made and approval received from ER.

Surface Releases:

A surface release signed and dated by the landowner must be included to fulfill the reclamation liability requirements. If a landowner refuses to sign a surface release, a written explanation by the licensee must be included to fulfill the requirement.

Application for Acknowledgement of Reclamation:

The Acknowledgement of Reclamation application must include a cover letter, the surface release, and reclamation report with ESA. The cover letter will include the Licensee name, the well or facility license number with the applicable land location and a declaration signed jointly by an appropriate licensee representative and an appropriate consultant representative that the reclamation has met all Energy and Resources requirements.

A reclamation report, required pursuant to section 44(3) of *The Oil and Gas Conservation Regulations, 1985*, is to be submitted within six months after the activities have been completed. The reclamation report may consist solely of a phase I ESA if no decontamination was required or shall consist of the full remediation report with confirmatory analysis and ESA.

Submission of the Acknowledgement of Reclamation application can be sent to:

Whenever possible, in an attached electronic file, emailed to brad.wagner@gov.sk.ca.

Or by mail to:

Mr. Brad Wagner, Manager of Environment

Ministry of Energy and Resources

200-2101 Scarth Street, Regina, SK S4P 2H9

Submission of a Reduction in Deemed Liability:

In the case of a long term remediation project, the licensee can make application to Energy and Resources to reduce the amount of deemed liability on the site prior to making application for an Acknowledgement of Reclamation. The application requires a covering letter and any supporting documentation that justifies the request.

Disclaimer:

If all of the above criteria is successfully met and an Acknowledgement of Reclamation issued by Energy and Resources, the deemed reclamation liability for that particular well or facility will be set to zero with regards to the LLR Program. However, the licensee will still remain liable for any future contamination that is discovered and deemed to be a result of the well or facility activities. In accordance with section 44(6) of *The Oil and Gas Conservation Regulations, 1985*, an Acknowledgement of Reclamation can be cancelled by Energy and Resources if deemed necessary.