

UNEDITED

The Oil and Gas Conservation Act

being

Chapter 327 of *The Revised Statutes of Saskatchewan, 1953*
(effective February 1, 1954).

FOR HISTORICAL REFERENCE ONLY

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 327

An Act to provide for the Conservation of Oil and Gas Resources

SHORT TITLE

Short title

- 1 This Act may be cited as *The Oil and Gas Conservation Act*.

R.S.S. 1953, c.327, s.1.

INTERPRETATION

Interpretation

- 2(1) In this Act:

“allocated production” or “allowable production” or “allowable”

1. “**allocated production**” or “**allowable production**” or “**allowable**” means oil or gas authorized by the minister to be produced;

“department”

2. “**department**” means the Department of Mineral Resources;

“developed unit”

3. “**developed unit**” means a drainage unit which has a well completed therein that is capable of producing oil or gas in paying quantities;

“drainage unit”

4. “**drainage unit**” means the area allocated to a well for the purpose of drilling for and producing oil or gas, and includes all subsurface areas bounded by the vertical planes in which the surface boundaries lie;

“field”

5. “**field**” means the general area underlaid by one or more pools;

“illegal gas”

6. “**illegal gas**” means gas produced from any well in the province in violation of this Act or any regulation or order made under the authority thereof;

“illegal oil”

7. “**illegal oil**” means oil produced from any well in the province in violation of this Act or any regulation or order made under the authority thereof;

“illegal product”

8. “**illegal product**” means any product derived in whole or in part from illegal oil or illegal gas;

“just and equitable share”

9. “**just and equitable share**” of a producer or a developed unit, unless otherwise agreed upon by the interested persons, means that part of the allowable production for the pool that is substantially in the same proportion that the quantity of recoverable oil and gas in each developed unit of the tract or tracts concerned in the pool bears to the recoverable oil or gas in the total developed area of the pool, subject to reasonable measures for the prevention of waste and to reasonable adjustment by reason of structural position, and that, if produced, will minimize reasonably avoidable drainage from each developed unit and will enable the producer to utilize his fair share of the reservoir energy;

“minister”

10. **“minister”** means the Minister of Mineral Resources;

“owner”

11. **“owner”** means a person who has the right to drill into a pool and produce therefrom oil or gas and to appropriate the oil or gas he produces either to himself or others or to himself and others;

“pool”

12. **“pool”** means an underground reservoir containing or appearing to contain an accumulation of oil or gas separated or appearing to be separated from any other such reservoir or accumulation in the general structure;

“producer”

13. **“producer”** means the owner of a well which is capable of producing oil or gas;

“product”

14. **“product”** means any commodity made from oil or gas and includes refined crude oil, crude tops, topped crude, processed crude, processed crude oil, residue from crude oil, cracking stock, uncracked fuel oil, fuel oil, treated crude oil, residuum, gas oil, casinghead gasoline, natural-gas gasoline, lubricating oil, blends or mixtures of oil with one or more liquid products or by-products derived from oil or gas and blends or mixtures of two or more liquid products or by-products derived from oil or gas, whether or not mentioned herein;

“reasonable market demand”

15. **“reasonable market demand”** means the demand for oil or gas for reasonable current requirements and current consumption or use within and outside the province, together with such amounts as are reasonably necessary for building up or maintaining reasonable storage reserves and working stocks of oil and gas and the products thereof;

“waste”

16. **“waste”** means:

- (a) physical waste as that term is ordinarily understood in the oil and gas industry;
 - (b) the inefficient, excessive or improper use of, or the dissipation of, reservoir energy;
 - (c) the locating, spacing, drilling, equipping or operating of or producing from any well in a manner which causes, or is likely to cause, reduction in the quantity of oil or gas ultimately recoverable from any pool under prudent and proper operations and practices, or unnecessary or excessive surface loss of oil or gas;
 - (d) the inefficient storage of oil or gas; or
 - (e) the production of oil or gas in excess of transportation or marketing facilities or reasonable market demand.
- (2) For the purposes of this Act, in the expressions “oil and gas” or “oil or gas” the word “and” includes “or” and the word “or” includes “and”.

PURPOSE AND APPLICATION OF ACT

Purposes of Act

3 The purposes of this Act are:

- (a) to prevent waste;
- (b) to regulate all operations for the production of oil and gas in such manner that the greatest possible ultimate recovery thereof by prudent and proper operations and practices may be realized;
- (c) to protect the correlative rights of each owner; and
- (d) to enable each owner to obtain his just and equitable share of the allowable production of any pool.

1952, c.88, s.3; R.S.S. 1953, c.327, s.3.

Application

4(1) This Act applies to every well situated in the province.

(2) This Act applies to the Crown and Her Majesty is bound thereby and has the benefit thereof.

1952, c.88, s.4; R.S.S. 1953, c.327, s.4.

PART I

Administration

Administration by department

5 This Act shall be administered by the department.

1952, c.88, s.5; R.S.S. 1953, c.327, s.5.

Chief Oil and Gas Conservation Officer

6(1) The Lieutenant Governor in Council may appoint an officer to be known as the Chief Oil and Gas Conservation Officer.

(2) The Chief Oil and Gas Conservation Officer shall, subject to the direction and control of the minister, be responsible for the administration of this Act.

1952, c.88, s.6; R.S.S. 1953, c.327, s.6.

Jurisdiction and authority of minister

7 For the purpose of effectuating the purposes of this Act, the minister has jurisdiction and authority over all persons and property, public and private, and may make or cause to be made inquiries and investigations into any matter or thing in relation to the drilling for, and the resources, occurrence, production, transportation, distribution, disposition and processing of, oil or gas or products derived therefrom in the province at such places and at such times and in such manner as he may deem advisable, and may make or issue orders and take any other action he deems necessary or expedient for or incidental to the performance, execution and carrying out of any duty, function or power imposed or conferred upon him by this Act.

1952, c.88, s.7; R.S.S. 1953, c.327, s.7.

Oil and Gas Conservation Board

- 8(1) The Lieutenant Governor in Council may establish a board, to be called The Oil and Gas Conservation Board, and herein referred to as the board, consisting of such number of members as the Lieutenant Governor in Council may deem advisable.
- (2) The Lieutenant Governor in Council shall appoint the members of the board and shall designate one member as chairman.
- (3) The members of the board shall hold office for such term as may be determined by the Lieutenant Governor in Council.
- (4) The Lieutenant Governor in Council shall determine the number of members of the board that shall constitute a quorum for the transaction of business.
- (5) The members of the board shall receive such remuneration as may be fixed by the Lieutenant Governor in Council.
- (6) A member of the board who has any monetary interest of any description, directly or indirectly, in any property or in any business or undertaking carried on for the purpose of searching for, winning or getting, or for the purpose of gathering, collecting, processing, handling or distributing, any oil or gas in the province shall not act or vote as a member of the board when any question affecting such interest or in which he is interested by reason of such interest is before the board.
- (7) The minister shall appoint a secretary to the board.
- (8) The board may exercise the powers and shall perform the duties hereinafter conferred and imposed, and shall inquire into any matter referred to it by the minister and make a report to the minister thereon.

1952, c.88, s.8; R.S.S. 1953, c.327, s.8.

PART II

Licences**Prohibition against drilling without licence**

- 9(1) No person shall spud in or drill a well unless he is the holder of a subsisting licence to do so issued by the minister.
- (2) An application for a licence under this Part shall be submitted to the department in the form prescribed by the department.

1952, c.88, s.; R.S.S. 1953, c.327, s.9.

Company must be licensed or registered

- 10 No licence shall be issued to a company unless it is a company licensed or registered under *The Companies Act*.

1952, c.88, s.10; R.S.S. 1953, c.327, s.10.

Notice to department if drilling through bed or seam of coal, etc.

11 The applicant for a licence shall notify the department if he intends to drill through a bed or seam of coal or other valuable mineral in respect of which operations have been undertaken for the working of the coal or other valuable mineral, and shall satisfy the minister that it is practicable to drill through the bed or seam without danger to the persons engaged in mining operations therein and in such a way as to permit the safe and economical mining of the coal or other valuable mineral.

1952, c.88, s.11; R.S.S. 1953, c.327, s.11.

Issue of licence

12 If the applicant for a licence has complied with the provisions of this Act and the regulations and orders thereunder, the minister shall grant the application and issue the licence.

1952, c.88, s.12; R.S.S. 1953, c.327, s.12.

Assignment of licence

13 A licence issued pursuant to this Part shall not be assigned without the written consent of the minister.

1952, c.88, s.13; R.S.S. 1953, c.327, s.13.

Cancellation or suspension of licence

14 If it is made to appear that a contravention of this Act, or of any regulation or order thereunder, has occurred concerning the well in respect of which the licence was issued, the minister may, after ten days' written notice to the licensee, cancel the licence or suspend it either for a definite time or indefinitely.

1952, c.88, s.11; R.S.S. 1953, c.327, s.14.

Hearing before board where licence cancelled or suspended

15 A licensee whose licence has been cancelled or suspended pursuant to section 14 may apply to the minister for a hearing before the board in accordance with section 50.

1952, c.88, s.15; R.S.S. 1953, c.327, s.15.

Cancellation or suspension upon request

16 The minister may cancel or suspend a licence upon the written request of the licensee.

1952, c.88, s.16; R.S.S. 1953, c.327, s.16.

Record of well names

17 The department shall maintain a record of official well names.

1952, c.88, s.17; R.S.S. 1953, c.327, s.17.

PART III

Regulations and Orders**Power of minister**

18 Without restricting the generality of section 7, the minister may by order:

- (a) regulate:
 - (i) the spacing of wells and the formation of drainage units in respect of any pool specified in the order;
 - (ii) the shooting and chemical treatment of wells;
 - (iii) the drilling, plugging and bringing into production of wells and all other operations for the production of oil or gas;
 - (iv) operations to increase ultimate recovery, including the cycling of gas, the maintenance of pressure and the introduction of gas, water or other substances into producing formations;
 - (v) the disposal of salt water and oil field wastes;
- (b) limit and allocate the production of oil and gas from any field, pool or area;
- (c) classify wells as oil or gas wells if deemed necessary for the application or enforcement of this Act;
- (d) prescribe the conditions under which drilling operations may be carried out in watercovered areas, and any special measures to be taken in such operations;
- (e) authorize or require the operation of wells with efficient gas-oil and water-oil ratios, and fix such ratios.

1952, c.88, s.18; R.S.S. 1953, c.327, s.18.

Power of Lieutenant Governor in Council

19 The Lieutenant Governor in Council may make regulations and orders deemed necessary to carry out the provisions of this Act according to their true intent and, without restricting the generality of the foregoing, the Lieutenant Governor in Council may make regulations and orders:

- (a) authorizing or requiring:
 - (i) the spacing of wells and the formation of drainage units generally;
 - (ii) the identification of ownership of oil or gas wells, producing leases, tanks, plants, structures, facilities and means for the transportation or refining of oil or gas;
 - (iii) the making and filing with the department of well logs, directional surveys and reports on well location, drilling, drilling tests and production;
 - (iv) the filing of oil or gas analyses or other information pertaining to oil or gas;

- (v) the drilling, casing, cementing, operating and plugging of wells in accordance with good practices and in such manner as to prevent the escape of oil or gas from one stratum into another, the harmful intrusion of water into an oil or gas stratum and the pollution of fresh water supplies by oil, gas or salt water, and in such manner as to prevent blowouts, cavings, seepages and fires;
- (vi) that the production from wells be separated into gaseous and liquid hydrocarbons, and that each of these be accurately measured by such means and according to such standards as may be prescribed by the minister;
- (vii) certificates of clearance showing quantity and disposition with respect to the transportation or delivery of oil, gas or any product;
- (viii) metering or other measuring of oil, gas or any product in pipe lines, gathering systems, barge terminals, loading racks, refineries or other places;
- (ix) every person who produces, sells, purchases, acquires, stores, transports, refines or processes oil or gas to keep and maintain in the province complete and accurate records of the quantities thereof, which records shall be available for examination by the minister or any person authorized by him at all reasonable times, and requiring every such person to file with the department such reports as may be prescribed with respect to such oil or gas or any product thereof;
- (b) governing the suspension of operations and the abandonment and reconditioning of wells;
- (c) requiring and prescribing the taking and method of taking of cores and samples of any kind and their submission to the department;
- (d) prescribing the methods of operation to be observed during drilling and in the subsequent management and conduct of any well:
 - (i) for the protection of life and property;
 - (ii) for the prevention and extinguishment of fires;
 - (iii) for the prevention of the blowing out of control of wells; and
 - (iv) for the prevention of pollution of fresh water supplies;
- (e) governing the taking from time to time of the closed in pressure and capacity of gas wells;
- (f) providing for the inspection of wells, both during and after drilling, with respect to:
 - (i) matters pertaining to safe operations; and
 - (ii) matters pertaining to the general public interest, having regard to the protection of public or private property;
- (g) providing for the taking over of any well that is a menace to oil, gas or water-bearing formations or to life or property if remedial measures are considered necessary and the owner of the well fails to use such measures, and for the execution of such measures at the expense of the owner of the well;

(h) requiring the obtaining of licences and the furnishing of bonds deemed necessary in connection with the administration of this Act, and prescribing fees for such licences;

(i) designating and identifying any specified area as a pool or field.

1952, c.88, s.19; R.S.S. 1953, c.327, s.19.

Publication and effective date of orders and regulations

20 Every order and regulation made under this Act shall be published in *The Saskatchewan Gazette* and shall have force and effect on and after the date of such publication or on and after a date specified in the order or regulation.

1952, c.88, s.20; R.S.S. 1953, c.327, s.20.

Orders and regulations open to inspection

21 Every order and regulation made under this Act shall be entered in full in the records of the department and shall be open to inspection by the public at all times during office hours.

1952, c.88, s.21; R.S.S. 1953, c.327, s.21.

PART IV

Oil and Gas Production

LIMITATION AND ALLOCATION OF PRODUCTION

Limitation of production

22 The minister shall limit the production of oil and gas to that amount which can be produced without waste.

1952, c.88, s.22; R.S.S. 1953, c.327, s.22.

Allocation of production among pools

23 Where the minister limits the total amount of oil or gas which may be produced in the province he shall allocate the allowable production among the pools therein, and, where reasonable under the circumstances, shall allocate to each pool with small wells of settled production an allowable production which will prevent the general premature abandonment of the wells in the pool.

1952, c.88, s.23; R.S.S. 1953, c.327, s.23.

Allocation of production among wells or developed units

24 Where the minister limits the total amount of oil or gas which may be produced from any pool to an amount less than that amount which the pool could produce if no restriction were imposed, he shall allocate the allowable production among the several wells or developed units in the pool for the purpose of giving each producer the opportunity of producing or receiving his just and equitable share of the pool allowable, unless the producers have agreed upon a method for such allocation which is satisfactory to the minister.

1952, c.88, s.24; R.S.S. 1953, c.327, s.24.

Determination of market demand

25(1) In determining reasonable market demand for the province, the minister shall not be required to determine the reasonable market demand applicable to any single pool or field, except in relation to all other pools and fields and in relation to the demand applicable to the province.

(2) For the purpose of subsection (1), in allocating allowables to pools and fields, the minister may consider, but shall not be bound by, nominations of purchasers to purchase from particular fields, pools or areas.

1952, c.88, s.25; R.S.S. 1953, c.327, s.25.

DRAINAGE UNITS**Establishment of drainage units**

26 The minister shall by order establish drainage units of uniform size and shape for a pool, provided that, where he deems it to be necessary by reason of differences in the character of the formation, the minister may divide a pool into zones and establish drainage units for each zone, and the drainage units in a zone may differ in size and shape from those in another zone.

1952, c.88, s.26; R.S.S. 1953, c.327, s.26.

Limitation on size and shape of drainage units

27 The size and shape of drainage units shall be such as will result in the efficient and economical development of the pool as a whole, and the size shall not be smaller than the maximum area that can be efficiently drained by one well.

1952, c.88, s.27; R.S.S. 1953, c.327, s.27.

Minister's order altering location for drilling

28 Upon application and after a hearing before the board, if the minister finds that a well drilled at the prescribed location will not produce in paying quantities or that surface conditions will substantially add to the burden or hazard of drilling such well, the minister may make an order permitting the well to be drilled at a location other than that prescribed in the order establishing drainage units; provided that the minister shall include in an order under this section suitable provisions to prevent the applicant from obtaining any advantage such as the opportunity to produce from the drainage unit more than his just and equitable share of the allowable production for the pool.

1952, c.88, s.28; R.S.S. 1953, c.327, s.28.

Area covered by order establishing drainage units

29 An order establishing drainage units for a pool shall cover all lands determined or believed to be underlaid by the pool, and such order may be modified from time to time by the minister to include additional areas determined or believed to be underlaid by such pool, or to increase the size of drainage units in the pool or in any zone thereof, or to permit the drilling of additional wells on a reasonably uniform plan in the pool or zone.

1952, c.88, s.29; R.S.S. 1953, c.327, s.29.

Construction of order of minister

30 No order of the minister shall be construed so as to require the drilling or operation of a well in any drainage unit in addition to a well which can produce such unit's just and equitable share without waste.

1952, c.88, s.30; R.S.S. 1953, c.327, s.30.

POOLING**Pooling of interests in drainage unit**

31(1) Where two or more separately owned tracts are embraced within a drainage unit, or where there are separately owned interests in all or part of a drainage unit, the owners of such tracts or interests may pool their interests for the development and operation of the unit.

(2) In the absence of voluntary pooling the minister may, upon the application of any interested person, make an order that a hearing be held by the board.

(3) Upon the recommendation of the board, the minister may make an order pooling all interests within the drainage unit for the development and operation of the unit.

1952, c.88, s.31; R.S.S. 1953, c.327, s.31.

Content of pooling order

32 Every pooling order under section 31 shall provide for:

- (a) the drilling and operation of a well in the drainage unit;
- (b) the payment of the actual cost of such drilling and operation by the owners; and
- (c) the allocation to each owner of his just and equitable share of the allowable production for the drainage unit.

1952, c.88, s.32; R.S.S. 1953, c.327, s.32.

Recovery of costs from owner who refuses to pool

33 Where an owner refuses to pool his interest, his portion of the costs of drilling and operation shall be recoverable only out of his share of production.

1952, c.88, s.33; R.S.S. 1953, c.327, s.33.

Effect of pooling order

34 Where a drainage unit is covered by a pooling order:

- (a) operations incidental to the drilling of a well in any portion of the unit shall for all purposes be deemed to be operations carried on or conducted by the several owners respectively upon their separately owned tracts in the unit;
- (b) that portion of the allowable production allocated to each tract shall be deemed to have been produced from such tract by a well drilled thereon.

1952, c.88, s.34; R.S.S. 1953, c.327, s.34.

PART V

Unit Operation**Hearing by board and recommendation to minister**

35(1) The minister upon his own motion may, and upon the application of any interested person shall, order that a hearing be held by the board to consider the need for the operation as a unit of an entire field or pool.

(2) If the board finds that:

- (a) the operation of a field or pool or a portion thereof as a unit is reasonably necessary to prevent waste, to increase substantially the recovery of oil or gas and to protect correlative rights; and
- (b) the value of the estimated additional recovery of oil or gas resulting from such operation will exceed the estimated additional cost, if any, incidental to the conduct of such operation; and
- (c) such operation will result in general advantage to the owners of the oil and gas rights within such field or pool or portion thereof;

it may recommend to the minister that the field or pool or portion thereof be operated as a unit.

1952, c.88, s.35; R.S.S. 1953, c.327, s.35.

Order of Lieutenant Governor in Council for unit operation

36(1) Upon the recommendation of the minister after the hearing, the Lieutenant Governor in Council may order that the field or pool or portion thereof be operated as a unit.

(2) An order under subsection (1) shall specify the date on which it shall come into force and shall include:

- (a) a description of the area embraced by the order, herein referred to as the unit area;
- (b) a statement of the nature of the operation contemplated;
- (c) an allocation among the separately owned tracts in the unit area of all the oil and gas produced and not required in the conduct of such operation or unavoidably lost, such allocation to be based proportionately on the contributions, other than physical equipment, made by the owners of the separately owned tracts to the unit operation;
- (d) a provision for the credits and charges to be given or made in the adjustment among the owners of the separately owned tracts in the unit area for their respective investments in wells, tanks, pumps, machinery, materials and equipment contributed to the unit operation by such owners;
- (e) a provision for the net amount to be charged against the owner of each separately owned tract, which amount shall be considered to be the portion of the expenses of unit operation chargeable against such tract;
- (f) unless otherwise provided, a provision that the expenses of unit operation, including capital investments, shall be charged to the separately owned tracts in the same proportions that such tracts share in the unit production;

- (g) a provision appointing an operating committee composed of the persons primarily liable for the payment of the expenses of unit operation, or their representatives, which committee shall, within the time specified in the order, appoint a person to be known as the operator who shall under the direction and supervision of the committee be responsible for the management and conduct of the unit operation;
 - (h) a provision specifying the method of voting upon any motion before the operating committee and the majority in number of votes necessary to carry a motion;
 - (i) a provision specifying the manner in which and the circumstances under which the unit operation shall terminate;
 - (j) such further provisions, terms and conditions as may be considered necessary to provide for the proper operation of the unit area so as to prevent waste, obtain the greatest possible recovery of oil and gas under prudent and proper operations and practices and protect the interests of the respective owners of the oil and gas rights within the unit area.
- (3) In a vote upon a motion before the operating committee appointed pursuant to an order under this section each vote shall have a value corresponding to the percentage of the expense of unit operation borne by the person voting or his principal.
- (4) If the operating committee fails to appoint the operator within the time specified in an order under this section the minister shall appoint the operator.

1952, c.88, s.36; R.S.S. 1953, c.327, s.36.

Payment of expenses of unit operation

- 37(1)** The expenses chargeable to a tract shall be paid by the person who in the absence of unit operation would be responsible for the expenses of developing and operating such tract.
- (2) If the person so charged fails to pay the expenses, resort may be had to interests, herein called additional royalty interests and which are exclusive of a one-eighth (1/8) royalty interest and that would not be otherwise chargeable with such expenses, such as oil payments, overriding royalties or other royalties and payments to be paid out of or calculated on the amount of production.
- (3) The owner of any such additional royalty interests who pays any part of the expenses required by subsection (1) to be paid by the person who in the absence of unit operation would be responsible for the payment of the expense of developing and operating the tract may recover the amount paid as a debt due to him by that person.

1952, c.88, s.37; R.S.S. 1953, c.327, s.37.

Property held by operator as trustee

- 38** All property acquired by the operator for the purpose, of conducting the unit operation shall be held by him as trustee and agent for and on behalf of the owners of the working interests as such interests may appear under the unit operation plan, and the order providing for unit operation shall be construed as an operating arrangement and shall not be construed as affecting or transferring title to such property or entitling an owner of a separately owned tract to an undivided interest in all tracts included in the unit area.

1952, c.88, s.38; R.S.S. 1953, c.327, s.38.

Powers and duties of operator

39(1) The operator shall exercise generally all the powers incidental to the proper conduct and management of the unit operation.

(2) The operator may contract and may sue and be sued in his own name with respect to the duties, functions and powers imposed or conferred upon him by or pursuant to this Act.

1952, c.88, s.39; R.S.S. 1953, c.327, s.39.

Operations not in accordance with unit operation order prohibited

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

1952, c.88, s.40; R.S.S. 1953, c.327, s.40.

Rehearing by board

41(1) An order under section 36 may provide for a rehearing by the board upon the application of any interested party on or after a future date specified in the order.

(2) Upon the recommendation of the minister following such rehearing, the Lieutenant Governor in Council may amend or revise a unit operation order in order to supply any deficiency therein or to meet changing conditions, and may alter or revoke any provision therein which is deemed to be unfair or inequitable and may add to the unit area therein described any area which the minister believes to be underlaid by the pool or one of the pools underlying the unit area.

1952, c.88, s.41; R.S.S. 1953, c.327, s.41.

Unit area may include previously established unit area

42(1) An order under section 36 may provide that the unit area established thereby shall include a unit area established by a previous order.

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

1952, c.88, s.42; R.S.S. 1953, c.327, s.42.

Effect of unit operation order

43 The portion of unit production allocated to a separately owned tract shall for all purposes be deemed to have been actually produced from such tract, and operations conducted pursuant to a unit operation order shall for all purposes be deemed to be operations carried on or conducted for the production of oil and gas from each separately owned tract in the unit area in the fulfilment of all the express or implied obligations of the owner of such tract or of a producer under each lease and any contract applicable thereto in so far as the same relates to the field, pool or portion thereof covered by such order.

1952, c.88, s.43; R.S.S. 1953, c.327, s.43.

Further powers of minister

44 The Lieutenant Governor in Council may confer upon and vest in the minister any power deemed necessary or advisable to enable him to carry out the provisions of any unit operation order.

1952, c.88, s.44; R.S.S. 1953, c.327, s.44.

PART VI**Practice and Procedure Relating to Hearings****Power to make rules and regulations**

45 The Lieutenant Governor in Council may prescribe rules and regulations governing the practice and procedure with respect to hearings.

1952, c.88, s.45; R.S.S. 1953, c.327, s.45.

Conduct of hearings

46(1) All hearings held under the authority of this Act shall be conducted by the board upon the request of the minister.

(2) Such hearings shall be open to the public and all persons interested may be heard.

(3) The board may, if it deems it necessary to do so, adjourn a hearing from time to time.

1952, c.88, s.46; R.S.S. 1953, c.327, s.46.

Authority of one member to act and report

47 The board or the chairman may authorize any one of the members to report to the board upon any question or matter referred to it by the minister, and such member shall, when so authorized, have all the powers of the board for the purpose of taking evidence or acquiring the necessary information for the purpose of such report, and, upon such report being made to the board, it may be adopted as the report of the board.

1952, c.88, s.47; R.S.S. 1953, c.327, s.47.

Notice of hearing

48 Notice of a hearing shall be given to the applicant, if any, by registered mail and published in one issue of the *Gazette* and in one issue of a newspaper having a general circulation in the district in which the field or pool to which the hearing relates is situated at least ten days prior to the date set for the hearing.

1952, c.88, s.48; R.S.S. 1953, c.327, s.48.

Hearing upon request of minister

49 The minister may request a hearing upon his own motion or upon the application of any interested person.

1952, c.88, s.49; R.S.S. 1953, c.327, s.49.

Hearing of complaint against order of minister

50(1) Any person affected by an order made by the minister without a recommendation by the board pursuant to a hearing or without a hearing by the board in respect of the matter to which the order relates may within twenty-one days from the effective date of the order apply to the minister for a hearing.

(2) An application under subsection (1) shall set forth the matters complained against and the reasons for the complaint.

(3) If the minister does not amend or rescind the order complained against, he shall refer the application to the board for a hearing, and the board shall after the hearing make such recommendations to the minister as it deems fit.

(4) Notwithstanding anything contained in this section, where the minister is of the opinion that the application is frivolous or vexatious, he may dismiss the application.

1952, c.88, s.50; R.S.S. 1953, c.327, s.50.

Powers of board respecting investigations and inquiries

51(1) The board or any person authorized by it may collect data, make inspections, studies and investigations, examine properties, titles, leases, papers, books and records and examine, check, test and gauge wells.

(2) The board or any person authorized by it to make an inquiry or investigation pursuant to any of the provisions of this Act shall, for the purpose of such investigation or inquiry, have all the powers conferred or which may be conferred upon commissioners under *The Public Inquiries Act*.

1952, c.88, s.51; R.S.S. 1953, c.327, s.51.

PART VII

Miscellaneous**Plans for certain operations require approval of minister**

52(1) Any plan for:

- (a) repressuring, cycling or pressure maintenance in any field or pool;
- (b) the processing, storage or disposal of gas; or
- (c) the disposal of water in any field or pool;

shall be submitted to the department before it is proceeded with.

(2) No such plan shall be proceeded with without the approval of the minister.

1952, c.88, s.52; R.S.S. 1953, c.327, s.52.

Address for service

53(1) Every person who is the owner of a well or who is a licensee or a permittee under this Act shall register with the department an address in the province for service upon him of any notice or order given or made pursuant to this Act.

(2) Every owner of a well, licensee or permittee who is not a resident of the province shall have an agent in the province and shall register with the department the agent's name and address in the province.

1952, c.88, s.53; R.S.S. 1953, c.327, s.53.

PART VIII

Prohibitions, Offences and Penalties

Waste prohibited

54 Waste is prohibited and every person who commits waste contravenes this section.

1952, c.88, s.54; R.S.S. 1953, c.327, s.54.

Permit required to use gas for certain purposes

55(1) No gas produced shall be used, consumed or otherwise disposed of in the province until a permit authorizing such use, consumption or disposition is granted by the minister.

(2) An application for a permit authorizing the use, consumption or disposition of gas shall be accompanied by evidence that such use, consumption or disposition is for a beneficial purpose and in the public interest.

(3) A permit granted under this section shall:

- (a) authorize the use, consumption or disposition of the gas for the purpose or purposes specified in the permit; and
- (b) designate the period for which the permit is granted;

and may be made subject to such other terms and conditions as the minister may specify therein.

(4) The holder of a permit shall not assign, transfer or otherwise dispose of any right, title or interest, or portion thereof, granted by the permit without the consent in writing of the minister.

1952, c.88, s.55; R.S.S. 1953, c.327, s.55.

Export of gas without permit prohibited

56 The export from the province of gas is prohibited unless a permit authorizing such export is granted by the minister.

1952, c.88, s.56; R.S.S. 1953, c.327, s.56.

Sale, etc., of illegal oil or gas prohibited

57 The sale, purchase, acquisition, transportation, processing or handling of illegal oil or illegal gas produced from any well or of any product derived from such oil or gas is prohibited.

1952, c.88, s.57; R.S.S. 1953, c.327, s.57.

Forfeiture of illegal oil and gas

58 All illegal oil, illegal gas and illegal products shall be forfeited to the Crown in right of Saskatchewan.

1952, c.88, s.58; R.S.S. 1953, c.327, s.58.

Penalties for contravention of Act or regulations, etc.

59 Every person who:

- (a) contravenes, directly or indirectly, any provision of this Act or of any regulation or order made thereunder; or
- (b) either alone or in conjunction with others, causes any person to contravene, directly or indirectly, any provision of this Act or of any regulation or order made thereunder; or
- (c) instructs, orders or directs any person to contravene, directly or indirectly, any provision of this Act or of any regulation or order made thereunder;

is guilty of an offence and liable on summary conviction to a fine not exceeding \$10,000 and in the case of a continuing offence to a further fine not exceeding \$10,000 for each day during which the offence continues.

1952, c.88, s.59; R.S.S. 1953, c.327, s.59.

False statements, omissions, etc.

60 Every person who:

- (a) wilfully makes or causes to be made any false entry or statement in any report, record, account or memorandum required by this Act or any regulation or order made thereunder; or
- (b) wilfully omits or causes to be omitted full, true and correct entries from any report, record, account or memorandum required by this Act or any regulation or order made thereunder; or
- (c) wilfully destroys, mutilates, alters, falsifies or removes from the province any report, record, account or memorandum required by this Act or any regulation or order made thereunder, or wilfully causes the same to be so destroyed, mutilated, altered, falsified or removed from the province;

is guilty of an offence and liable on summary conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months, or to both such fine and imprisonment, and in the case of a corporation to a fine not exceeding \$10,000.

1952, c.88, s.60; R.S.S. 1953, c.327, s.60.

Obstruction of minister, etc., in exercise of powers

61 Every person who:

- (a) obstructs, hinders or interferes with the minister or any person authorized by him in the exercise of any of the powers conferred by or pursuant to this Act; or
- (b) without reasonable excuse fails to assist the minister or any such person when called upon by him to assist in the exercise of any of such powers;

is guilty of an offence and liable on summary conviction to a fine of not less than \$10 nor more than \$200.

1952, c.88, s.61; R.S.S. 1953, c.327, s.61.

Prosecution does not bar action for damages

62 A prosecution under this Act shall not deprive any person suffering damage or injury of any cause of action he may have.

1952, c.88, s.62; R.S.S. 1953, c.327, s.62.

Action for injunction

63 Notwithstanding any prosecution under this Act, the minister may commence and maintain an action to enjoin the committing of waste or the violating of any order or regulation made under this Act.

1952, c.88, s.63; R.S.S. 1953, c.327, s.63.

Effect of payment of penalty and of forfeiture

64 The payment of a penalty shall not operate to legalize any oil, gas or product involved in the violation in respect of which the penalty is imposed; and the payment of a penalty or the forfeiture of any oil, gas or product shall not relieve a person from liability to any other person for damages arising out of the violation in respect of which the penalty is imposed or the forfeiture is incurred.

1952, c.88, s.64; R.S.S. 1953, c.327, s.64.

Remedies for enforcement of regulation or order

65 Where the minister has more than one remedy for the enforcement of any regulation or order or for the payment of any money payable pursuant to any regulation or order made under this Act, the minister may resort to any or all such remedies from time to time as he may deem proper, either concurrently or successively, until such time as the regulation or order has been complied with or the money payable thereunder together with all costs and expenses has been fully paid and satisfied.

1952, c.88, s.65; R.S.S. 1953, c.327, s.65.