



Government
— of —
Saskatchewan

Minister of
Energy and Resources

Legislative Building
Regina, Canada S4S 0B3

July 21, 2021

Chad MacPherson
General Manager
Saskatchewan Stock Growers Association
Box 4752
REGINA SK S3P 3Y4
ssga@sasktel.net

Dear Mr. MacPherson:

Thank you for your June 15, 2021 email regarding the Saskatchewan Stock Growers Association's 2021 annual general meeting resolutions.

Resolution #2 requests that the Government of Saskatchewan include orphan wells in the federal Accelerated Site Closure Program (ASCP). Currently, orphan wells, for which there is no viable owner, are ineligible under the ASCP. Funding from the ASCP is allocated exclusively to existing oil and gas licensees to support the closure of their inactive wells, facilities and flow lines. The program in Saskatchewan, which the Ministry of Energy and Resources administers with the Saskatchewan Research Council, is running efficiently and has been successful in getting Saskatchewan service workers back to work.

The Ministry of Energy and Resources manages the current inventory of orphan wells and ensures that the Saskatchewan Oil and Gas Orphan Fund is sufficiently capitalized. The Orphan Fund is fully funded by oil and gas producers through the annual collection of levies, and the sector is collectively responsible for its liabilities, which protects taxpayers from incurring the costs to clean up orphan well sites.

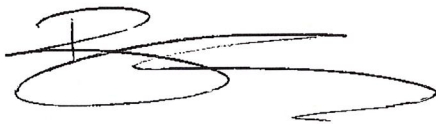
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We are also introducing new Financial Security and Site Closure Regulations that require companies to retire a certain percentage of their inactive liabilities every year. These enhanced regulations will further curb the growth of inactive liabilities and reduce, even more, the risk of new orphan wells in the province. I am confident in our ability to clean up orphan sites in a timely manner without relying on the ASCP.

If there are specific sites that you or your members are concerned about, please contact Justin Relland, A/Director, Liability Management at 306-787-2478 or Justin.relland@gov.sk.ca.

Sincerely,

A handwritten signature in black ink, appearing to be 'Bronwyn Eyre', with a stylized, flowing script.

Bronwyn Eyre
Minister of Energy and Resources

cc: Honourable David Marit, Minister of Agriculture