

# The New Orphan Wells Legislation for Saskatchewan

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*Saskatchewan is home to approximately 62,000 oil and gas wells and about 3,300 related facilities all of which will eventually reach the end of their useful life and will need to be properly abandoned and decommissioned. This represents a potential future liability of approximately \$2.8 billion dollars. It is clear that long term planning will be required in order to ensure that these costs can be met by the industry when the time comes and that these costs do not get passed on to tax payers.*

*Currently in Saskatchewan, it is estimated that there are about 700 orphaned oil and gas wells and facilities where the licensing company has ceased to exist or no longer can be located. The costs associated with proper abandonment and decommissioning of these orphaned wells and facilities and the environmental liability associated with the sites is significant. The immediate problem is: who should pay those costs since the owner no longer exists?*

*In order to address these problems, Saskatchewan Industry and Resources plans to introduce the new Orphan Well and Facility Liability Management Program in the summer of 2007. This presentation will focus on the necessity for the program, the specifics about the program, and the regulatory changes necessary to implement the program.*

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