

Dealing with Oil and Gas Development on Native Prairie

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According to the Saskatchewan Ministry of Energy and Resources, in June of 2010 there were 27,000 producing oil wells and 20,000 producing gas wells operating in Saskatchewan. There are also countless abandoned and inactive sites in various stages of restoration along with miles and miles of pipelines located throughout the province. With this amount of activity, it is easy to see how landowners and oil and gas companies are coming in regular contact. Landowners and lessees who are new to this relationship often have questions about the process as well as concerns regarding access and use of their land or lease which can be quite sensitive in the case of native prairie acres.

Some of the concerns specific to oil and gas development on native prairie acres include:

- Conservation of Saskatchewan's remaining rangelands;
- Minimal environmental (soil, vegetation and wildlife) disturbance;
- Restoration of the land to pre-development conditions;
- Sourcing and use of appropriate native plant species when revegetating a site.

Landowner/lessees should educate themselves about their rights so they are aware what to include in a contract with an energy company and what is considered fair compensation for various activities. These rights will be different based on whether land is owned (deeded) or leased (crown land).

For deeded land, the process for exploration and drilling usually involves a land agent representing an energy company approaching the land owner. In this case a contract is made between the land owner and the energy company. As a land owner, you should be well aware of all information in the contract and be sure that all of your concerns (both short and long-term) are addressed before signing any documents.

For lease land, the process is different as the land owner (i.e. crown) will be the main contact for energy companies looking to explore and drill. However, lessees must be consulted regarding land access and compensation is provided. In Saskatchewan, crown land is administered by Saskatchewan's Ministry of Agriculture – Lands Branch who have a specific set of rules and regulations surrounding developments on native prairie. Ministry staff are responsible for ensuring these regulations are followed.

Oil and gas development can be classified into three main stages:

- Exploration
- Drilling/Production
- Reclamation/Restoration

Exploration involves geophysical and exploratory drilling operations to help determine if oil and/or gas might be present; this includes seismic activities and test hole drilling. Development involves the drilling and production stages; this may include drilling, site development, battery sites, pipelines, roadways and power lines to sites. The reclamation phase takes place after the rig leaves and the well is either categorized as a producer or is abandoned.

Because restoration of native prairie to its pre-disturbance state is a long and complicated process, it is prudent to locate developments in areas that avoid or minimally disturb existing native prairie. In fact, the key to restoration is to do as little damage as possible when initially developing a site or installing a pipeline. Caution should also be taken to ensure that invasive species and weeds are not introduced to the area during any phase of a project. It is also very important to ensure that seed selected to revegetate the area is species appropriate for the specific range site and that seed has been properly cleaned to remove any weeds.

Lessees and landowners should be aware that although many subcontractors may be involved during site development and reclamation, oil or gas company is responsible for all sub-contractors and the work that they do during development.

Here are a few quick suggestions when dealing with oil and gas companies on your land:

- Most energy companies operate at a fast and furious pace so don't be pressured into signing anything before you have taken the time to read and understand it.
- For landowners, some things to include in a contract are fire protection, fencing, gates, water testing, land spreading, time of drilling, etc... in addition to compensation for access and losses.
- Agree on a reclamation plan for the site, prior to any work being done and insist on a seed certificate for all seed to be used in the restoration plan (this is looked after by the Ministry in the case of crown land).
- If you have concerns at any time during the process from exploration through to reclamation, be sure to contact the responsible company as soon as possible.

SK PCAP will be hosting the *2012 Native Prairie Restoration/Reclamation Workshop: Bridging the Gap* in Saskatoon, SK from February 8-9, 2012. This workshop presents an excellent opportunity for landowners and lessees to learn more about the process of restoration/reclamation on native prairie. For more details or to register, visit the SK PCAP website at www.pcap-sk.org.

Additionally, here are a few sources of information for landowners and lessees to educate themselves on this topic:

Saskatchewan's policies regarding oil and gas developments on crown lease land
www.agriculture.gov.sk.ca/Oil-Gas.

Canadian Association of Energy and Pipeline Landowners Association CAEPLA
www.landownerassociation.ca

For a complete list of SK PCAP 2011-2012 Supporters, please visit the website at www.pcap-sk.org.