

Notice of Consultation:
Proposed Changes to
The Surface Rights Acquisition and Compensation Act

Background

The Ministry of Energy and Resources (ER) is consulting with stakeholders on proposed changes to *The Surface Rights Acquisition and Compensation Act* (SRACA). The amendments aim to help companies acquire surface rights for wells and other infrastructure used for injecting and storing carbon dioxide (CO₂) underground.

The Process

Stakeholders are invited to review and give written comments on the proposed legislative amendments by May 16, 2025. The Ministry will review this feedback, which may also be considered by the Legislature of Saskatchewan at a future date.

Summary of Proposed Changes

Featured amendments proposed for the SRACA are intended to support carbon capture, utilization and storage (CCUS) projects in Saskatchewan. The amendments will do this by establishing a “right of entry” for surface infrastructure that is used to inject and store CO₂ at a subsurface CO₂ storage site. Such sites include wells and facilities, access roads, power lines, flow lines and service lines. Further details on proposed changes are attached to this notice as Appendix A.

For additional information related to CCUS projects, please see Appendix B.

Please note that the SRACA does not apply to First Nations reserve lands. For surface access rights on First Nations for resource exploration and development, companies must obtain surface use contracts, which are approved by the First Nation’s council and administered by Indian Oil and Gas Canada (IOGC).

Review of Proposed Legislative Changes

Please direct any written comments or questions to the ER Service Desk at er.servicedesk@gov.sk.ca.

The deadline for submitting written comments is **May 16, 2025**.

APPENDIX A

1. Acquisition of surface rights for wells and other infrastructure to support the injection and storage of captured carbon dioxide (CO₂) underground.

Background:

With the growing interest in carbon capture, utilization and storage (CCUS) projects in Saskatchewan, proponents have been asking the Government of Saskatchewan for clarity on key policy and regulatory issues to facilitate safe and orderly development and to support investment decisions. One issue facing industry is surface access for the placement of infrastructure used to inject and store CO₂ underground. In Saskatchewan's surveyed southern area, surface and subsurface rights are often in different hands. Under *The Surface Rights Acquisition and Compensation Act* (SRACA), rights holders for oil and gas, potash, helium and lithium, have a "right of entry" to the surface to produce their mineral by means of a well and to build flowlines to carry their mineral from the wellhead to an upstream facility. However, such rights of entry do not exist in the SRACA for wells and other infrastructure used for injecting and storing CO₂ captured and transported from industrial point sources to an underground storage site.

Consequently, CCUS project proponents must first secure consent from landowners before placing wells and other infrastructure related to CO₂ storage sites, to which the proponents hold subsurface rights. While this type of surface access can usually be negotiated, there is potential for disputes between landowners and subsurface rights holders on the terms of surface access and the compensation payable. Such disputes could lead to court action.

Proposed Legislative Amendments:

Proposed amendments to several sections of the SRACA would facilitate the acquisition of surface rights for these wells and associated infrastructure. Such infrastructure will include wells and facilities, access roads, power lines, flow lines and service lines related to a subsurface CO₂ storage site. This will provide certainty of access to industry while ensuring compensation to surface owners for selling these surface rights to a project proponent. This will also give industry and surface owners access to a cost-effective dispute resolution mechanism in the Surface Rights Board of Arbitration (the Board). Please note that pipelines for the transportation of CO₂ from an industrial point source to a CO₂ storage site are already subject to *The Pipelines Act, 1998* and are therefore not included in these amendments.

Questions for Consideration:

1. *Please provide any comments/suggestions you have on the proposed amendments.*
2. *Is there anything in addition that should be considered as part of the proposed changes?*

APPENDIX A

2. Miscellaneous Amendments

The SRACA was first introduced in 1968. While there have been some amendments made to SRACA since 1968, the legislation, including definitions and administrative practices of the Surface Rights Board or Arbitration, have remained mostly the same.

Question for Consideration:

- 1. Given the age of the Act and modern business practice and processes, are there any other changes to or clarifications required in the SRACA that should be considered for amendment now or in the future? Please provide any comments or suggestions.*

APPENDIX B

Carbon capture, utilization and storage (CCUS) is a process that captures carbon dioxide (CO₂) emissions to prevent their release into the atmosphere. The captured CO₂ can then be permanently stored underground (sequestered) or used to support oil production, specifically Enhanced Oil Recovery (EOR). In Saskatchewan, CO₂ from a source in North Dakota has been used for EOR purposes in a unitized oil and gas field near Weyburn for many years. Also, the Aquistore project near Estevan has been sequestering CO₂ from SaskPower's Boundary Dam power station since 2015. More recently, the Ministry of Energy and Resources has approved two new CO₂ sequestration projects in the province that are currently in the early stages of development.

In CO₂ storage projects, captured CO₂ is carried from an industrial source by pipeline to a CO₂ disposal site, for which a proponent (company) holds subsurface rights. Surface land usage for CO₂ storage involves surface leases, access roads and power lines similar to what is required for oil and gas wells and facilities.

In Saskatchewan, surface infrastructure to support CO₂ storage involves an injection facility that receives captured CO₂. The facility also filters, measures and prepares the CO₂ for injection through a well into a subsurface formation. The injection facility and the injection well are connected and are normally located on the same surface lease site. Additional wells may support this work on separate surface leases to observe and monitor the CO₂ injection and sequestration activity.

Captured CO₂ is normally injected deep underground for permanent storage. In the context of the Aquistore project, CO₂ is injected more than three kilometers underground.

Between the Aquistore project and other approved CO₂ storage projects in Saskatchewan, there are currently two CO₂ storage injector wells and one observation well in existence, with another ten pending licensing. Please note that these figures do not include CO₂ injection wells supporting oil and gas EOR projects in the province.

For more information about the SaskPower Boundary Dam carbon capture project, please visit [this link](#). For more information about the Aquistore project and CO₂ storage, please visit [this link](#).