

September 11, 2019

## INFORMATION BULLETIN 2019-02

### **Subject: MRF Drilling & Completion Cost Enhancement Project**

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Alberta Energy will be implementing changes to enhance the functionality of the Modernized Royalty Framework (MRF) Drilling and Completion Costs (DCC) submission process in Petrinex. The proposed enhancements will make the submissions process more efficient, reduce red tape, and improve the organization of cost data for all stakeholders.

A high level listing of the proposed enhancements is as follows:

- Submission of well activity costs (Drilling, Completion, Re-entry and Re-completion) will change from submitting at the well event level to the licence level.
  - An activity and its associated costs will be added at the licence level. Well events will then be selected to be linked to that specific activity and costs.
- One attachment per activity at the licence level instead of at the well event level.
- A new DCC Dashboard will allow a user to see a snap-shot of organized data such as a license's C\*, C\* draw down, C\* remaining, submitted cost data and whether a well has cost errors.
- A new Petrinex Licence C\* report showing the C\*, C\* draw down details, and C\* remaining for all qualified licences.
- The DCC Non-Compliance report will be modified to exclude estimates and reduced to a single report type.
- Updated DCC Submission report structured to read the new data model.

The rules triggering the request for costs and the creation of cost warnings and errors at a well event level are not changing, only the way in which the costs are submitted.

The implementation of these changes is projected for February 6, 2020. More information regarding the MRF changes in Petrinex will be posted to the Petrinex Initiatives page in the coming weeks (<https://www.petrinex.ca/Initiatives/Pages/MRFFunctions.aspx>).

The "Edit Drilling and Completion Costs" section in Petrinex will be disabled on **October 3, 2019** until the implementation of the new design on February 6, 2020 to allow the time to convert the previously submitted data into the new format. DCC users can submit cost data up until October 3, 2019 or after February 6, 2020. Certain well cost data elements may require manual intervention, therefore Alberta Energy will be in contact with specific companies to resolve any issues surrounding the conversion of their data.

**The cost submission deadline of April 30, 2020 and associated penalties will remain the same, as stated in the MRF Guidelines (<https://www.alberta.ca/oil-guidelines.aspx>).**

If you have any questions, please email [Energy.MRFInquiries@gov.ab.ca](mailto:Energy.MRFInquiries@gov.ab.ca)

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