

**GAS ROYALTY CALCULATION
INFORMATION BULLETIN
December 2002**

02-12

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We would like to wish you the happiest of Holiday Seasons!



A. PRICING RATES AND TRANSPORTATION INFORMATION

For Pricing, Royalty Rates and Transportation Information for October 2002, refer to [Attachments 1, 1A, 2, 2A, and 3](#).

B. NOTICES

Revised Registry Heat Ranges

The Department has updated the Registry ISC Heat Ranges table included in the town hall training sessions as part of the Alberta Natural Gas Liquids Royalty (NGL) Framework Change. ISC heat range reporting will be monitored by the Department over the next few months and additional changes or updates may occur. The updated table is included in [Attachment 4](#).

Well Groups

For production periods October 2002 and beyond, well group reporting in the Registry is only applicable for ‘non-consolidated’ well groups (projects, blocks, non-unit gas, non-unit oil, non-unit spacing, joint operating agreements). For production periods prior to October 2002, these entities are reported on the Owner Activity Statement (OAS) with a letter ‘A’ preceding the well group number – e.g. AB WG A12345.

For Registry reporting, the ‘A’ must be removed such that the reporting would look like: AB WG 12345. A complete listing of non-consolidated well groups is now available on the Department’s Internet site at:

www.energy.gov.ab.ca

Remaining Useful Life (RUL) Form

[Information Letter \(IL\) 2002-17](#) indicates that in cases where the estimated useful life of a new or existing Facility Cost Centre is less than 10 years, royalty clients must file supporting documentation with their Facility Cost Centre Setup/Change (AC1) application.

In cases where the estimated useful life of a new or existing Facility Cost Centre is greater than 10 years, royalty clients are expected to retain supporting documentation and submit it for review at the Department’s request.

This supporting documentation, required by the Department, in cases where the estimated useful life was either greater or less than 10 years, had to include information that was certified by an accredited engineer. This requirement has not changed and the Department reserves the right to request backup for any changes to the RUL. However, we have introduced a new form, “Remaining Useful Life (RUL) Form”, which replaces the engineer’s report. Our engineers have helped us create this form to ensure that all the backup information provided by industry is consistent. Please refer to [Attachment 6](#) for a copy of this form.

If you have any questions, please contact the Client Services Help Desk at (780) 427-2962.

Alberta Natural Gas and Natural Gas Liquids Royalty (NGL) Framework Change

The Department's *Information Letter 2002-19* and *Gas Royalty Calculation June Information Bulletin, 02-06A* introduced the Alberta Natural Gas and Natural Gas Liquids (NGL) Royalty Framework Change. This change initiative is effective with October 2002 production, along with the implementation of the Petroleum Registry of Alberta (the Registry). Refer to the *Gas Royalty Calculation June Information Bulletin, 02-06A* for information on the Registry.

As indicated in the *July 2002 Information Bulletin 02-07*, under the Natural Gas and NGL Royalty Framework Change, the Department calculates the gas royalty rate at the facility level. This Facility Average Royalty Rate (FARR%) is the weighted average royalty rate based on the In-Stream Components (ISC) content within the royalty-triggered gas.

Gas Royalty Rate (GR%)

$$GR\% = \frac{MiR\%(MiQ) + ER\%(EiQ) + PR\%(PiQ) + BR\%(BiQ) + PPR\%(PPiQ)}{MiQ + EiQ + PiQ + BiQ + PPiQ}$$

Where:

- GR% = Crown royalty rate for Gas
- MiR%* = Royalty rate for Methane ISC
- ER%* = Royalty rate for Ethane
- PR%* = Royalty rate for Propane
- BR%* = Royalty rate for Butanes
- PPR%* = Royalty rate for Pentanes Plus
- MiQ = Quantities of Methane ISC contained in the gas
- EiQ = Quantities of Ethane ISC contained in the gas
- PiQ = Quantities of Propane ISC contained in the gas
- BiQ = Quantities of Butanes ISC contained in the gas
- PPiQ = Quantities of Pentanes Plus ISC contained in the gas

* The royalty formulas for Methane ISC, Ethane, Propane, Butanes and Pentanes Plus are described below.

Methane ISC (C1-IC) Royalty Rate (MiR%)

$$MiR\% = \frac{15(SP) + 40(PP-SP)}{PP}$$

Where:

- MiR% = Crown royalty rate for *Methane ISC*
- SP = *New Methane ISC* Select Price or *Old Methane ISC* Select Price for the year containing the production month, according to whether the gas is new gas or old gas, respectively
- PP = *Methane ISC* Par Price prescribed for the production month

The minimum Crown royalty rate for New or Old Methane ISC is 15%.

The maximum Crown royalty rate for New Methane ISC is 30% and Old Methane ISC is 35%.

Ethane (C2) Royalty Rate (ER%)

$$ER\% = \frac{15(SP) + 40(PP-SP)}{PP}$$

Where:

R% = Crown royalty rate for *Ethane*

SP = *New Ethane* Select Price or *Old Ethane* Select Price for the year containing the production month, according to whether the ethane is new ethane or old ethane, respectively

PP = *Ethane* Par Price for the production month

The minimum Crown royalty rate for New or Old Ethane is 15%.

The maximum Crown royalty rate for New Ethane is 30% and Old Ethane is 35%.

Propane (C3) Royalty Rate (PR%)

$$PR\% = \frac{15(SP) + 40(PP-SP)}{PP}$$

Where:

R% = Crown royalty rate for *Propane*

SP = *Propane* Select Price for the year in which the production month occurs

PP = *Propane* Par Price for the production month

The minimum Crown royalty rate for Propane is 15%.

The maximum Crown royalty rate for Propane is 30%.

Butanes (C4) Royalty Rate (BR%)

$$BR\% = \frac{15(SP) + 40(PP-SP)}{PP}$$

Where:

BR% = Crown royalty rate for *Butanes*

SP = *Butanes* Select Price for the year in which the production month occurs

PP = *Butanes* Par Price for the production month

The minimum Crown royalty rate for Butanes is 15%.

The maximum Crown royalty rate for Butanes is 30%.

Pentanes Plus (C5) Royalty Rate (PPR%)

$$PPR\% = \frac{22(SP) + RF(PP-SP)}{PP}$$

Where:

PPR% = Crown royalty rate for *Pentanes Plus*

SP = *Pentanes Plus* Select Price for the year in which the production month occurs

RF = *New Pentanes Plus* royalty factor or *Old Pentanes Plus* royalty factor for the year in which the production month occurs, according to whether the pentanes plus are new pentanes plus or old pentanes plus

PP = *Pentanes Plus* Par Price for the production month

The minimum Crown royalty rate for New or Old Pentanes Plus is 22%.

The maximum Crown royalty rate for New Pentanes Plus is 35% and Old Pentanes Plus is 50%.

Par Price Definitions:

Product Par Price	Definition
Methane ISC Par Price	Previous production month's Methane ISC Reference Price
Ethane Par Price	Previous production month's Ethane ISC Reference Price
Propane Par Price	Previous production month's Propane ISC Reference Price
Butanes Par Price	Previous production month's Butanes ISC Reference Price
Pentanes Plus Par Price	Previous production month's Pentanes Plus Reference Price less Previous production month's Weighted Average Transportation Allowance for Spec Pentanes plus

Notes on Methane ISC, Ethane, Propane and Butanes Select Prices

- The Select Price for Methane ISC, Ethane, Propane and Butanes is a \$/gj price.
- The Old/New Methane ISC Select Prices and Old/New Ethane Select Prices are the same.
- The Propane and Butanes Select Prices are the same as the New Methane ISC Select Price.

Notes on Pentanes Plus Select Prices

- The Pentanes Plus Select Price is different from the Methane ISC, Ethane, Propane and Butanes Select Prices.
- The Pentanes Plus Select Price is a \$/m³ price.

Update - 1998 Audits in Progress

In accordance with statutory requirements and royalty recalculation guidelines as documented in Information Letter 97-25, non-operator partners are advised that certain 1998 capital cost and custom processing adjustment factor (CPAF) and reporting discrepancy audits are currently in progress. Completion of the audits and royalty recalculations/assessments, if required, will occur in 2003. For a complete listing of the affected EUB Facilities, refer to [Attachment 16](#).

Clients are also reminded that in accordance with Information Letter 97-25, amendments received by the Department in the fourth year following the production year may be subject to audit. If the amendments are received late in the fourth year and insufficient time is available for the Department to commence a review of the amendments prior to the end of the year, the Department reserves the right to commence the audit at the beginning of the fifth year.

If you have any questions, please contact Chris Lawton of the Compliance & Assurance group at (403) 297-6746.

Alberta Energy – Gas Royalty Calculation Calendar

A calendar for the year 2003 is enclosed for industry use. It shows important filing dates for clients required to meet Gas Royalty processing cut-offs.

C. MONTHLY INFORMATION

October 2002 Royalty Due January 31

- **Royalty clients are to remit the total amount payable shown on the January 2003 Statement of Account by January 31, 2003.** If the amount payable includes accrued current period interest, the interest has only been accrued to the statement issue date. Clients must also include the additional interest that has accrued from the statement issue date to the date of payment, using the per diem amount provided.
 - **The January 2003 Statement of Account shows your amount payable as of the Statement issue date. It includes any outstanding balances from your previous statement, your October 2002 Invoice amount and any applicable current period interest charges. It also identifies refunds resulting from overpayments.**
 - Current period interest will not be charged on current invoice charges for the production month of October 2002 if it is paid in full by January 31, 2003.
 - Current period interest will accrue on any overdue charges commencing the first day after the due-date until it is paid in full.
- Note: If the due date falls on a non-business day, payments will be accepted on the next business day.**
- Cheques are payable to the Minister of Finance, Province of Alberta.

November 2002 VA4 Due January 15

The VA4 documents for the production month of November 2002 are due in the Department offices by January 15, 2003.

NOTE:

- If the due date (15th) falls on a non-business day, the next business day will apply as the due date for VA4 documents.

November 2002 Production Reporting

November 2002, and subsequent production reporting is submitted through the Registry. The deadline for submission of SAF, OAF, and Volumetrics is posted in the Registry Reporting Calendar at:

<http://www.petroleumregistry.gov.ab.ca>

Changes to this calendar will be posted on the Registry web site home page in Broadcast Messages.

Interest Rate December 2002

The Department of Energy’s interest rate for December 2002 is 5.50%.

September Provisional Assessment Charge

The net Provisional Assessment Charge for the September 2002 billing period was (\$44,428,261.75). This includes \$44,925,789.24 in first time provisional assessments and (\$89,354,050.99) in reversals of provisional assessments for all production periods.

September Penalty Charges

The following are the Penalty Charges by form type for the September 2002 billing period:

FORM	Penalties Charged
AC2	\$46,300
AC4	\$3,000
AC5	\$20,800
GR2	\$0
NGL1	\$0
VA2	\$2,000
VA3	\$0
VA4	\$0
Total Charged	\$69,400
Total Reversed	(\$8,000)
Net Penalties Charged for 2002/09	\$61,400

Alberta Royalty Tax Credit Program Quarterly Rate

For the fourth quarter of 2002, the Alberta Royalty Tax Credit rate will be .2500. This rate is based on a royalty tax credit reference price of \$270.88 per cubic metre. The Alberta Royalty Tax Credit rates for the past year were:

Third Quarter, 2002	.2500
Second Quarter, 2002	.2500
First Quarter, 2002	.2500
Fourth Quarter, 2001	.2500

If you have any questions, please contact Kent Nelson of Tax Services at (780) 427-9425, ext 250.

D. INFRASTRUCTURE DATA CHANGES

Client ID Listing

The Client ID listing can be found on the Internet at the following address:

www.energy.gov.ab.ca

The listing, which is updated monthly for active clients, also includes clients who are inactive, struck, or terminated since January 1997.

Please note the Client ID listing (Post Registry) corresponds with the implementation of the Registry. For effective dates of active and amalgamated clients prior to September 1, 2002, please refer to the Client ID listing (Pre Registry).

If you require information before January 1997 regarding the status of a Client ID, please call the Gas Royalty Client Services Helpdesk at (780) 427-2962. The Department would like to remind those browsing the site to note the effective and termination dates of the Client IDs.

Projects/Blocks

Projects/Blocks information will be updated in the January 2003 Information Bulletin. If further information is required on any other projects, please contact Isabelle Warwa at (780) 422-8966.

Struck Clients

Clients must ensure that the OAS and all other royalty documents are completed using only valid client names and IDs. It is critical that royalty clients use current legal client names and their appropriate IDs on all documents to ensure accurate royalty calculation and to prevent provisional assessment and penalties. Rejects will occur when invalid IDs are used.

If you require information regarding client names or IDs, please contact Client Registry at (780) 422-1395.

The following is a list of struck clients:

Company Name	Client ID	Struck Date
NEW DAWN (1993) LTD	0K4P	November 1, 2002
MAXWELL OIL & GAS LTD	0RN7	November 1, 2002
GOLDEN TREND PETROLEUM LTD	0TP9	November 1, 2002
CE3 TECHNOLOGIES INC	0ZM9	November 1, 2002
MATRIX OIL & GAS ENGINEERING LTD	0YK5	November 1, 2002
K L J ENERGY LTD	0A3B	November 1, 2002
PENTAGON ENGINEERING INC	0ZZ7	November 1, 2002

Operator Changes

EUB Facility Operator changes will be updated in the January 2003 Information Bulletin.

New EUB Plants

New EUB plants and corresponding plant types and transportation regions are listed in [Attachment 5](#).

Nova Tolls - Multiple Gas Reference Prices

Royalty information related to the implementation of the Factor Model negotiated with industry for determining Multiple Gas Valuation Prices is provided on the Department Internet site at:

www.energy.gov.ab.ca

E. REMINDERS

Office Closures – Christmas Period

All Department of Energy offices will be closed from Wednesday, December 25, 2002 to Friday, December 27, 2002 inclusive. Our offices are also closed on Wednesday, January 1, 2003.

Close-out for Operations

Production Year 2000

As prescribed by the Natural Gas Royalty Regulation, 1994, royalty clients are required to file accurate and timely information within specified time frames for a production month or production year. Inherent in the business of gas production is the frequent adjustment and balancing of reported volumes and distribution of costs. These adjustments result in retroactive processing of industry submitted royalty documents to accurately reflect volumetric ownership and ensure appropriate distribution of costs. To contain the extent of retroactive processing and to facilitate the completion of audits within the legislated time frames, an operational close-out process has been established. Normally two years after the end of a production year, that production year is operationally closed. When a production year is operationally closed, the Mineral Revenues Information System (MRIS) will reject any royalty document submitted for a closed-out production year after the established close-out dates, unless written authorization is granted by the Department.

Facility operators and owners must ensure that correcting documents required to clear unreconciled volumetric discrepancies and to amend the distribution of costs for the closed-out production year are submitted prior to the close-out dates. Facility operators and owners are encouraged to review the following reports produced by the Department to focus on facilities that require immediate attention prior to close-out:

- Rejection Notices
- Reconciliation Summary Report
- Reconciliation Detail Letters
- Annual Reports
- Reconcile Statement of Account Balances
- Operating Cost Deduction at Facilities with No Capital Ownership or Custom Processing Fees

The close-out dates are as follows for the production year of 2000:

Production Year Primary Documents

Secondary Documents

Close-Out Date

January 15, 2003

Close-Out Date

March 17, 2003

Note: There are only two secondary documents: the Reassignment of Volumes Set Up/Change (RMF2) and the Annual Capital Cost Allowance Reallocation (AC3). All others are primary documents.

Should circumstances warrant the amending of documents for a closed-out year, the Department must receive a YECO form, or a written request to open the year. The YECO form is an alternative to the formal written request. A written request must include the following detailed information:

1. Specific reason for processing documents after operational close-out.
2. List of document types being amended (i.e. OAS, RMF2, AC2).
3. Affected facilities and/or stream IDs (i.e. Gas plant code, facility cost centre code, well event).
4. Copy of letter from the operator to affected partner(s) advising of completion of rework.
5. Estimated dollar impact.
6. Paper copies of the document(s) to be processed.

Operators and owners must ensure that submitted documents meet MRIS edit criteria.

Documents that do not meet MRIS edit criteria will be rejected and the client will be notified by a rejection notice. Royalty documents that meet MRIS edit criteria will be processed and will be subject, where applicable, to the following:

- Provisional Assessments
- Recalculation of Royalty
- Interest Calculations
- Re-calculation of Allowable Costs, including the Corporate Effective Royalty Rate (CERR).

Where applicable, results of the processed documents will be reflected in the Crown Royalty Detail Statement, Invoice, and Statement of Account.

YECO forms or written requests together with the applicable royalty documents must be submitted to:

Gas Royalty Calculation Client Services Help Desk
8th Floor, North Petroleum Plaza
9945- 108 Street
Edmonton, Alberta T5K 2G6

Commercial Storage Scheme Reporting

Effective with the implementation of the Registry (production period October 2002), volumetric activities are no longer reported on the Owner Activity Statement (OAS). Instead, the volumetric stream and owner allocation are reported in the Volumetrics, Stream Allocation Factors (SAF) and Owner Allocation Factors (OAF) submissions in the Registry.

The volumetric activity reported on the SAF and OAF does not meet all the reporting requirements for Commercial Storage activity. Consequently, Gas Royalty Calculation has

developed the “Commercial Storage Activity Report” to be completed monthly by the Owner/Operator of Commercial Storage Facilities, commencing October 2002 production month.

Completed Commercial Storage Activity Reports are to be received by the Department on or before the 15th day of the second month following the production month. For a copy of the Commercial Storage Activity Report, refer to Attachment 17.

Should you have any questions or concerns, please contact Joey Dennis at (780) 422 9260 or Michaelann Russell at (780) 422 9265.

Clarification of Services Available on ETS After Registry Implementation

Please note that the October 2002 Information Bulletin stated AC2 & AC4 Submissions "Verification reports will remain on ETS". The ETS verification report lists the file received and the number of forms that ETS has successfully processed. Output files created from ETS submission are all directed to the Registry. Revalidation, turnaround and rejection notices on ETS all say, "Your output has been delivered to the Registry".

Natural Gas Royalty Regulation, 2002

On October 22, 2002, the amended version of the Natural Gas Royalty Regulation was passed by Order in Council. This authorizes the royalty changes for natural gas liquid (NGL) products and for gas commencing with the production in October 2002.

The royalty changes apply to the NGLs ethane, propane and butanes and to gas so that the gas royalty recognizes the NGL components that remain in the gas stream (in stream components). In June 2002 the Department published [Information Letter 2002-19](#) and [Information Bulletin 02-06A](#) that describe these royalty changes.

Non-operating Royalty Payers

(Companies and individuals who are not operators of facilities, but do currently receive information from industry partners, or invoices, statements and other correspondence from the Department of Energy are being referred to as “Non-operating Royalty Payers” by the Petroleum Registry of Alberta)

Registry is Live

There are a number of actions all stakeholders must complete before they can use the Registry. The first is to get your 4-character Business Associate (BA) Code. If you currently have a 7-digit Department of Energy (DOE) Royalty Client code, you have been issued a new 4-character BA Code. If you have not received your new 4-character ID, contact the DOE’s Client Registry (780-422-1395) immediately.

In addition to having a BA ID, all users of the Registry must have a BA User Security Administrator (USA) ID and password. Contact the DOE Client Registry (780-422-1395) and they will assist with a valid BA code, obtaining a BA USA and passwords.

The Registry has undertaken many activities to ensure all stakeholders have the knowledge required to use the Registry. Specific non-operating royalty payer training modules have been

designed to address the special needs of this stakeholder group. The modules are for use “free of charge”. To gain access to these modules, go to the Training area of the Registry web site and follow the instructions under the Online Industry Training link.

Note: users need an Internet Explorer browser of 5.5 or higher in order to access Registry training.

While use of the Registry by non-operating royalty payers is optional for DOE and EUB invoice and statement retrieval, your invoices and statements will automatically be securely stored on the Registry, *and* you will continue to receive paper copies as well. However, you can elect to use the Registry exclusively (no more paper). To learn more about this election, call the DOE Client Registry.

Even if you choose not to use the Registry, all non-operating royalty payers should contact their operating partners to see how they plan to use the Registry. A key non-regulated, industry-to-industry component of the Registry is the ability to conduct partner reporting “on-line”. Many operators will look to their non-operating partners to retrieve their partner reports on-line through the Registry. It would be beneficial to discuss this matter with your operating partner as soon as possible.

If you have any questions about the use of the Registry, please contact the Registry Service Desk at (403) 297-6111 (in Calgary) 1-800-992-1144 (other locations).

MRIS Was Not Available from October 15, 2002 to November 1, 2002

Due to the August 2002 billing period invoice run activities and the MRIS/Registry Migration, MRIS was not available from October 15, 2002 to November 1, 2002 inclusive. Royalty clients are advised that documents submitted in paper format to the Department during this period were not keyed or processed. ETS clients who submitted documents electronically had the data accepted through ETS but it was not processed.

This affected the Department’s 10-day turnaround time in issuing document rejection notices to royalty clients, thus resulting in potential penalty reversals. Therefore, royalty clients who receive a reject letter dated beyond the 10 business days (for documents sent to the Department within this period only), must submit the corrected documents and a letter requesting a penalty reversal within 60 days from the date of the reject letter in order for a penalty reversal to be considered.

Services Available on ETS After Registry Implementation

The following is a list of services that will be available through ETS.

Submissions/Searches

- Land and Mineral Searches
- Alta Title Searches
- Gas Royalty Forms (AC2, AC4, PPL)*
- Natural Gas Forms (APMC 600)
- Gas Transmission Forms (Third Party)
- Mainline Straddle Plant Allocation Statement (APMC – 700)
- Pipeline In-Stream Component Report

- NGL 100 Form
- Debit Remittance for Royalty
- Monthly Statement Auto Debit Increase

Dissemination

- Monthly Rental & Mineral Rental Statements
- Mineral Tax

Subscriptions/Tape Information

- Daily/Monthly Mineral Industry
- Daily/Monthly Mineral Well Spacing
- Daily/Monthly Encumbrance

*AC2 & AC4 Submissions

Verification reports will remain on ETS.

RMF3 Working Interest Ownership (WIO) Revalidation Notice

Records created by an RMF3 WIO submission can be modified or rejected by our revalidation process. Revalidation occurs due to retroactive changes to infrastructure records, such as production entities (PE) or Crown interest (CI%). This may cause previous royalty calculations to be reversed and recalculated.

The notice will identify the original RMF3 Submitter, Stream Id, Effective date, and Termination date and will be sent to all working interest owners. The notice will advise that:

- a) The RMF3-WIO for Well Event [Id #] has been deleted as the well event has been tied to PE [####] as of [date range], or
- b) The effective date range of the RMF3-WIO for Well Event [Id #] has been modified to [date] as the well event has been tied to PE [####] as of [date range], or
- c) RMF3-WIO has been deleted for the Production Entity [####] due to a change in Gas CI% [####], as of [date] the Gas CI% has been modified.

If you have any questions about a notice that you receive, please contact Gas Royalty Client Services Help Desk (780) 427-2962.

Business Associate (BA)

If you currently have a 4-character EUB operator code

This is your Registry BA ID.

If you previously had a 7-digit DOE Royalty Client code

You have been issued a new 4-character BA Identifier. The complete table of all converted 7-digit client IDs to the new standardized 4-character BA Identifier is available at www.energy.gov.ab.ca or in the Reference Material section in the Documents area of the Registry web site (www.petroleumregistry.gov.ab.ca).

Please ensure that only one 4-character Business Associate (BA) ID is assigned to you or your company. If multiple 4-character BA ID codes are found, please contact Client Registry at (780) 422-1395 to resolve.

If you do not have a 4-character EUB operator code or a 7-digit DOE Royalty Client code:

Registry BA ID Request

Companies and/or individuals can use the Registry to request a 4-character BA identifier. To request a BA ID complete and submit an application form via the Registry, use the “Apply_for_Access” link, on the Registry web site home page (www.petroleumregistry.gov.ab.ca). As well as applying for a BA, this form also asks that you appoint a User Security Administrator (USA). Stakeholders must also mail in a letter (with an authorized signature within 7 days of applying for the BA ID) requesting the new identifier to the Department of Energy “Client Registry” group. Once a company/individual is validated for use of the Registry, a BA ID will be issued to them. When this occurs, the USA will be phoned and given a BA USA ID and password. *See Set-up BA User Security Administrator (Post Registry Implementation) section of this document for further information on the set-up of a BA User Administrator.*

Written BA ID Request

Clients without access to the Registry can submit a written request (see [Attachment 10](#): Sample BA ID Request Letter from BA to Client Registry) for a 4-character identifier to the DOE’s “Client Registry” group. As well as applying for a BA, the sample BA ID request letter also asks that you appoint a User Security Administrator (USA). Stakeholders must also mail in a letter (with an authorized signature – see [Attachment 7](#): Sample BA USA Authorization Letter from BA to Client Registry) requesting the new identifier to the Department of Energy “Client Registry” group. Once a company/individual is validated for use of the Registry, a BA ID will be issued to them. When this occurs, the USA will be contacted and given a BA USA ID and password. *See Set-up BA User Security Administrator (Post Registry Implementation) section of this document for further information on the set-up of a BA User Administrator.*

Note 1: When specifying the BA role(s) that you require in your BA ID Request Letter from BA to Client Registry, please see [Attachment 9](#): Business Associate Roles in the Registry for a detailed listing of all possible BA roles.

Note 2: If you wish to become an Energy and Utilities Board (EUB) Licence Holder and have indicated an abbreviated BA Name in your BA ID request letter, please contact the EUB to complete the EUB Licence Holder Request procedure.

Written request for a BA ID should be sent to:

Alberta Department of Energy
Client Registry
9945 108 Street, 3rd Floor
Edmonton, Alberta
T5K 2G6
Fax: 780-422-9522

To obtain more information about securing a new BA code, please contact the Client Registry group at (780) 422-1395.

Set-up BA User Security Administrator (Post Registry Implementation)

In order to access the Registry, along with a BA ID, each BA must also obtain a BA User Security Administrator (USA) ID and password.

Note that only those individuals who have a legitimate business reason for using the Petroleum Registry of Alberta (Registry) will be issued the User Security Administrator (USA) ID, which will allow them access to public and secure data in the Registry. BAs are only able to view public data and their own secure information on the system. BAs will not have access to non-public information provided by other BAs. All public information from the Registry can be obtained from existing Ministry of Energy sources, either on the DOE or EUB web sites or via EUB's Data Dissemination program.

A guiding principle of the Registry is that “the data must be secure”. To ensure that only authorized individuals receive access to secure data on the database, a comprehensive security system has been created to protect the confidentiality and availability of Registry data. Users must have proper authority to submit and access data. (See “Registry Security Overview” on the Registry web site for more details on Registry security design and operations).

A key component of the Registry's application security is the role of User Security Administrator (USA). Each company or individual, known as a Business Associate (BA), who requires access to the Registry, must assign an individual to perform the role of USA for his or her company. The USA has the responsibility for setting up and managing security for all users of the Registry for that BA.

All stakeholders with a valid BA ID were also assigned a BA USA ID and password at implementation. To obtain this information, contact the Department of Energy's “Client Registry” at (780) 422-1395. You will be instructed on what steps must be taken to access your BA USA ID and password.

BA USA Set-up Process– Post Registry Implementation (October 31, 2002)

Regardless of whether you are applying for a 4-character EUB Operator code or if you have a code but do not have a BA USA, use the following procedure to request a BA USA ID and Password for use on the Registry:

1. Prepare a BA USA Authorization Letter (see [Attachment 7](#)) on Corporate letterhead, if available, signed by an authorized person, identifying the BA's User Security Administrator (BA USA)

Note: Client Registry must receive the BA USA Authorization Letter within 7 days of the BA User Security Administrator Information change(s) being submitted either on the Registry or in writing. If the BA USA Authorization Letter is not received within 7 days, the BA USA Request will be rejected.

Please send BA USA Authorization Letter to:

Alberta Department of Energy
Client Registry
9945 108 Street, 3rd Floor
Edmonton, Alberta
T5K 2G6
Fax: 780-422-9522

2. If you are applying for a 4-character EUB Operator Code, ensure that the BA User Security administrator and, if applicable, the Back-up BA User Security Administrator information are included in your Registry or written BA ID request (see [Attachment 10](#) for BA ID Request Letter).
3. If you already have a 4-character EUB Operator Code and you are applying for a BA USA ID and password, please send BA USA Information letter (see [Attachment 8](#) for BA USA Information letter) to Client Registry.

Please send BA USA Information Letter to:

Alberta Department of Energy
Client Registry
9945 108 Street, 3rd Floor
Edmonton, Alberta
T5K 2G6
Fax: 780-422-9522

To obtain more information about requesting access to the Registry and obtaining a BA USA ID and password, please contact the Client Registry group at (780) 422-1395

Changes to Existing BA USA information Post Registry Implementation

Use the following procedure in the event that you are required to change the BA USA information that already exists in the Registry.

1. Via the Registry, complete the BA User Security Administrator Information section of the Request a Business Associate Change page.
2. Prepare and send a BA USA authorization letter (see [Attachment 7](#) for sample) on Corporate letterhead, if available, signed by an authorized person, identifying the BA's User Security Administrator (BA USA). See

Note: Client Registry must receive the BA USA Authorization Letter within 7 days of the BA User Security Administrator Information changes being submitted on the Registry or the Registry Request will be rejected.

Please send BA USA Authorization Letter to:

Alberta Department of Energy
Client Registry
9945 108 Street, 3rd Floor
Edmonton, Alberta
T5K 2G6
Fax: 780-422-9522

To obtain more information about changing BA USA information, please contact the Client Registry group at (780) 422-1395

Royalty Triggers, Raw Gas Allocation, Royalty Calculation, Volumetric/SAF/OAF, Ensure Complete and Provisional Assessment

Department (DOE) Royalty Triggers from Registry Volumetric, SAF and OAF Submissions
 Effective with the implementation of the Registry (production period October 2002), volumetric activities are no longer reported on the Owner Activity Statements (OAS). Instead, the volumetric, stream, and owner allocations must be reported in the Volumetric, Stream Allocation Factor (SAF) and Owner Allocation Factor (OAF) submissions in the Registry. Refer to June 2002 Supplemental Information Bulletin and Registry Training Modules for information on Volumetric, SAF, and OAF reporting in the Registry.

Various activities in the Registry volumetric submissions will trigger royalty, just as various activities on the OAS trigger royalty. Where an activity in the Registry volumetric submission is a royalty trigger, matching SAF and OAF submissions are required to define the stream and owner allocation information for royalty calculation. (Some exceptions apply – see DOE Volumetric Royalty Trigger Summary Table for the royalty trigger activities where SAF/OAF submissions are optional.) The following table outlines the rules for matching Volumetric, SAF and OAF information.

Matching Criteria for Volumetric, SAF and OAF:

	Original or Cascading SAF (required for royalty trigger volumetric activities)	Responding SAF (required when there is a cascading SAF)	OAF (required when stream allocation on SAF is at well, unit, injection scheme or well group level)
Reporting Facility	Matches reporting facility on Volumetric (match is not required if SAF cascade facility is reported)	Matches stream on cascading SAF	Matches reporting facility on SAF
Cascade Facility	Matches reporting facility on Volumetric (only if SAF cascade facility reported)	Matches reporting facility on cascading SAF	Matches cascade facility on SAF
Production Period	Matches Volumetric production period	Matches production period on cascading SAF	Matches production period on SAF
Product	Matches Volumetric product (product ALL on SAF is considered a match to any Volumetric product)	Matches product on cascading SAF (product ALL on responding SAF is considered a match to any product on the original SAF)	Matches product on SAF (product ALL on OAF is considered a match to any product on SAF)
Activity	Matches Volumetric activity	Matches activity on cascading SAF	Matches activity on SAF
Received From/Delivered To Facility	Matches Volumetric from/to facility	Matches from/to facility on cascading SAF	Matches from/to facility on SAF

	(from/to facility ALL on SAF is considered a match to any Volumetric from/to facility)	(from/to facility ALL on responding SAF is considered a match to any product on the original SAF)	(from/to facility ALL on OAF is considered a match to any product on SAF)
Stream Allocation	<u>Original SAF</u> Wells, units, injection schemes or well groups <u>Cascading SAF</u> Batteries, gathering systems or gas plants	Wells, units, injection schemes or well groups	Matches stream on SAF

OAS vs. Volumetric Royalty Triggers

The royalty trigger points for royalty calculation have not changed but the volumetric records that are used to represent these trigger points have. Instead of volumetric activities on the OAS, the Crown will look to volumetric activities in the Registry volumetric submission for royalty triggers. Here is how the Volumetric Royalty Trigger Types corresponds to the OAS Royalty Trigger Types (refer to Appendix B Sept 2001 Alberta Natural Gas Royalty Guidelines):

OAS Royalty Trigger Types	Volumetric Royalty Trigger Types
Royalty Trigger #1 Facility By-Product Processing (excluding Straddle Plants)	By-Products Processing
Royalty Trigger #2 Facility Disposition of Unsold Gas	Dispositions Out of Network <i>Or</i> Royalty Liable Lease Fuel
Royalty Trigger #3 Field Straddle Plant Gas Processing	Dispositions Out of Network
Royalty Trigger #4 Facility Gas Disposition to Field Straddle Plant	Dispositions Out of Network
Royalty Trigger #5 Facility Injection Credits	Injection Credit
Royalty Trigger #6 Facility Eligible Consumption	Dispositions Out of Network with Return Fuel

The DOE Volumetric Royalty Triggers Schematic (see [Attachment 11](#)) illustrates where royalty is triggered for each royalty trigger type. The DOE Volumetric Royalty Trigger Summary Table defines the records in the Registry volumetric submissions that are royalty triggers.

Department (DOE) – Volumetric Royalty Trigger Summary Table

Royalty Trigger Type	Registry Volumetric Reporting Facility	Registry Volumetric Activity	Registry Volumetric From/To Location	Product	SAF and OAF required?	Royalty Trigger Location	Royalty Trigger Action
Dispositions out of royalty network	IN-NET	DISP	OUT-NET	Gas	Yes	Reporting Facility	Crown Royalty charge
Dispositions out of royalty network with return fuel	IN-NET (facility is the associated return fuel/gas lift facility of the BT or GS that is receiving gas from an MS)	DISP	OUT-NET	Gas	Yes	Reporting Facility	Crown Royalty charge

Royalty Trigger Type	Registry Volumetric Reporting Facility	Registry Volumetric Activity	Registry Volumetric From/To Location	Product	SAF and OAF required?	Royalty Trigger Location	Royalty Trigger Action
	AB-BT or GS with an associated return fuel/gas lift facility	REC	AB-MS	Gas	Yes	Associated Return Fuel/Gas Lift Facility	<p>Crown Royalty reduction at associated return fuel/gas lift facility.</p> <p>If no associated return fuel facility is indicated, reduction will be at the associated gas lift facility.</p> <p>No reduction given if there is no crown royalty charge at the associated facility.</p> <p>No reduction given if there is no FUEL activity at the reporting facility.</p>
	AB-BT or GS with an associated return fuel/gas lift facility	FUEL	N/A	Gas	Optional	Associated Return Fuel/Gas Lift Facility	Validates the return fuel reduction at the associated return fuel/gas lift facility.
By-Products Processing	AB-GS or GP	PROC	N/A	Any	Yes	Reporting Facility	Crown Royalty charge
Royalty Liable Lease Fuel	AB-BT, GS or GP	PURDISP	AB-BT or GS	Gas	Yes	Reporting Facility	Crown Royalty charge
Injection Credit	AB-IF	REC	Any	Any	Yes	Reporting Facility	<p>Injection Credit</p> <p>No injection credit is given if there is no INJ activity at the reporting facility.</p>

Royalty Trigger Type	Registry Volumetric Reporting Facility	Registry Volumetric Activity	Registry Volumetric From/To Location	Product	SAF and OAF required?	Royalty Trigger Location	Royalty Trigger Action
	AB-IF	DISP	Any	Any	Optional	Reporting Facility	Injection Credit reduction. <i>Injection credit is net of deliveries from the injection facility.</i>
	AB-IF	INJ	N/A	Any	Optional	Reporting Facility	Validates the injection credit at the injection facility.

AB	Alberta	INJ	Injection	PROC	Process
BT	Battery	IN-NET	AB-BT, GS, GP, and Field Straddle Plants processing <i>native</i> gas,	PURDISP	Purchased Disposition
DISP	Disposition	MS	Meter Station	REC	Receipt
GP	Gas Plant	OUT-NET	AB-Injection facilities, AB-Meter Stations/Pipelines, AB-Mainline Straddle Plants, AB-Field Straddle Plants processing <i>non-native</i> gas, AB-Commercial, Residential, Electrical Generation facilities, and Non AB facilities		
GS	Gas Gathering System				
IF	Injection Facility				

Royalty Trigger Sub Types

The royalty trigger types are further divided where there are in-network gas sales involved as different crown royalty rules apply. In-network gas sales are reported on Raw Gas Allocation (RGA) submissions. See RGA Reporting below for further information on RGA submissions. For clients who are receiving their Crown Royalty Details in User Defined Files (UDF) format, the royalty trigger descriptions in the UDF are indicated by royalty trigger sub types.

Royalty Trigger Type	Royalty Trigger Sub Type	Trigger Code
Dispositions to Out of Network	Disposition Out-of-Network	DISP
	Raw Gas Disposition (no processing)	RGAD
	Raw Gas Disposition with Processing only	RGADP
	Raw Gas Delivered to Injection	RGAIF
By-Products Processing	By-Product Processing	PROC
	Raw Gas Processing	RGAP
Royalty Liable Lease Fuel	Royalty Liable Lease Fuel	PURDSP
	Raw Gas Lease Fuel	RGAPUR
Injection Credit	Injection Credit	INJECT
	Injection Disposition	INJDSP
Disposition to Out of Network with Return Fuel	Disposition with Return Fuel	DISPRF
	Raw Gas Disposition with Return Fuel (no Processing)	RGADR
	Raw Gas Disposition with Processing & Return Fuel	RGDPR

Raw Gas Allocation (RGA) Reporting

The RGA is a new Registry submission requirement for in-network gas sales reporting. Sellers of gas within the royalty network (batteries, gathering systems, gas plants) must submit the RGA information to the Registry. For more details on the RGA submission, refer to the Registry Training Module on RGA.

Royalty clients with in-network gas sales must identify the following information on the RGA:

- Reporting Facility (should match reporting facility on OAF)
- Stream
- Sales Location
- Delivery Facility (should match from/to facility on OAF)
- Purchaser Allocation Factors
- In-stream Component Factors

If an RGA submission matches to a royalty trigger OAF submission based on the following matching criteria, there is an occurrence of an in-network gas sale and the RGA information will be applied to the royalty calculation of the seller and the corporate effective royalty rate (CERR) calculation of the purchaser.

Matching Criteria for RGA/OAF

RGA	OAF (with royalty trigger activity)
Reporting Facility =	Reporting Facility
Seller =	Owner
Stream Id =	Stream Id
Delivery Facility =	From/To Facility
Production Period =	Production Period

In-network gas sales impact the gas seller and the gas purchaser. For the gas seller, royalty is triggered at the sales location and if the in-network sale is further determined as a raw gas sale subsequently processed or a raw gas sale subsequently processed and used for lease fuel, the sale will be subject to different Crown royalty rules. These occurrences are explained in *Raw Gas Sale* below. For the gas purchaser, the purchased volumes will be added to the purchaser’s corporate volumes in the CERR calculation.

Raw Gas Sale

Raw gas sale is a sub set of the in-network gas sale. Raw gas sales that are subsequently processed or subsequently processed and used for royalty liable lease fuel are subject to different Crown royalty rules, under the 80% Raw Gas Valuation process and the NGL Royalty Framework Change. Crown royalty for raw gas sales subsequently processed is assessed at the raw gas average royalty rate (RARR%) and 80% of the gas reference price (GRP). Crown royalty for raw gas sales used as lease fuel is assessed at RARR% and 100%GRP. All other in-network gas sales are assessed at the facility average royalty rate (FARR%) and facility average price (FAP) as per the NGL Royalty Framework Change. (Refer to [June 2002 Supplemental Information Bulletin](#) for details on the NGL change.)

The following determination criteria are used to identify raw gas sales:

Raw Gas Sale Subsequently Processed Determination

- OAF stream/owner allocation has a matching RGA, where RGA Sales Location is a BT or GS, RGA reporting facility or RGA delivery location is a GP, or
- OAF stream/owner allocation has a matching RGA, where RGA Sales Location is a BT or GS and the cascade facility on the corresponding OAF is a GP

This type of raw gas sale is assessed at RARR% and 80% GRP. Any by-products (ethane, propane, butanes, pentanes plus) subsequently processed are converted to *gas energy equivalents* and assessed using RARR% and 80% GRP.

Conversion of processed products (by-products) to raw gas energy equivalents

Product	Gas Equivalent Factor	GJ Conversion Factor
Ethane	.28132	66.065
Propane	.27201	93.936
Butanes	.23331	121.406
Pentanes Plus	.2057	149.363
Sulphur	.7375	23.784

Raw Gas Sale Subsequently Processed and Used For Lease Fuel Determination

1. RGA has Sales Location of BT or GS and a match with a royalty trigger OAF where the activity on the OAF is PURDISP, Reporting Facility is BT, GS or GP and From/To Location is BT or GS

This type of raw gas sale is assessed at RARR% and 100% GRP.

Royalty Calculation using Volumetric, SAF, and OAF

Royalty trigger volumetric activities in the Registry must have corresponding SAF and OAF submissions in order for the Crown to calculate royalties. If corresponding SAF and OAF submissions are not reported, the volumetric detail will be subject to provisional assessment. See *Ensure Complete Report and Provisional Assessment Charges* in the following section for further information.

The Crown Royalty Detail Calculation and Crown Royalty Detail Volumetric reports have been revised to include the Volumetric, SAF and OAF details for post Registry implementation periods. See [Attachment 12](#) and [13](#) for sample Crown Royalty Detail reports.

The Gas royalty rate and valuation price on the Crown Royalty Detail Calculation report can vary for post Registry implementation periods, as a consequence of the NGL Royalty Framework Changes. However, there are supplemental reports that royalty clients can use to reference the rate and price used. The following table outlines the potential royalty variables that can be used to assess gas royalty and the supplemental details that are available. Please refer to the [July 2002 Gas Royalty Calculation Information Bulletin](#) on details of the supplemental reports.

	Royalty Variable Used	Supplemental Report	Origin
Royalty Rate for Gas	Facility Average Royalty Rate (FARR%)	FARR Supporting Details	Provided by Crown in invoice billing
	Raw Gas Average Royalty Rate (RARR%)	RARR Supporting Details	Provided by Crown in invoice billing
	C1-IC R%	Default Report	Provided by Crown in invoice billing
Valuation Price for Gas	Facility Average Price at Producing Facility (FAP@PF)	FAP Supporting Details	Provided by Crown in invoice billing

	Royalty Variable Used	Supplemental Report	Origin
	Facility Average Price at Reproducing Facility (FAP@RF)	FAP Supporting Details	Provided by Crown in invoice billing
	Facility Average Price at Injection Facility (FAP@IF)	FAP Supporting Details	Provided by Crown in invoice billing
	100% Gas Reference Price	Default Report	Provided by Crown in invoice billing
	80% Gas Reference Price	RGA (raw gas sale subsequently processed) submission	Submitted by raw gas seller

SAF/OAF Ensure Complete Process

Facility operators must calculate and submit the SAF/OAF for the products and activities that are royalty triggers in the Registry Volumetric submissions. If DOE does not receive corresponding SAF/OAF for these submissions, the volume on the Volumetric submission is subject to provisional assessment. In addition, if the stream ID or the owner ID reported on the SAF or OAF, respectively, is not valid for DOE’s gas and by-product royalty, the volume associated with that factor is subject to provisional royalty compensation. See *Provisional Royalty Compensation and Provisional Assessment Summary Report* section of this document for more information.

Registry SAF/OAF Ensure Complete Process Results Report

The SAF/OAF Ensure Complete process in the Registry provides notification to the facility operator when a SAF or OAF is required but has not been filed or has been filed with an invalid stream ID or owner ID. Facility operators can obtain a ‘status’ of their SAF and OAF filings through the Registry SAF/OAF Ensure Complete process on a request basis. The process also runs automatically based on dates in the Registry Reporting Calendar. Results are provided on the SAF/OAF Ensure Complete Process Results report. The report is sent to facility operators and will provide the following reporting errors, along with available Volumetric, SAF and OAF details so operators can respond to them before provisional assessment charges are levied:

Registry SAF/OAF Ensure Complete Error	Error Explanation
Missing SAF	No SAF filed for DOE required volumetric activity
Missing SAF (Cascaded)	No SAF filed for cascaded allocation
Missing OAF	No OAF filed for DOE required volumetric activity
Invalid Owner Id	Invalid Owner on OAF
Invalid Stream Id	Invalid Stream on SAF/OAF
No SAF detail row	SAF details are not available
No OAF detail row	OAF details are not available

Refer to *Registry Training Modules* for more information on the SAF/OAF Ensure Complete process performed by the Registry.

DOE Ensure Complete Process Results Report

DOE will perform the SAF/OAF Ensure Complete process two days prior to the DOE deadline for allocation submissions. Results are provided on the DOE Ensure Complete Process Results report. The DOE version is slightly different from the one created by the Registry SAF/OAF Ensure Complete process. The DOE version only reports errors that would result in provisional assessment charges, whereas the Registry version reports all error situations where SAF and OAF are expected to be filed. In addition, the report includes errors that would be levied against Common Stream Operators (CSO) at the meter station level. The DOE SAF/OAF Ensure

Complete Process Results report is sent to facility and common stream operators and will provide the following reporting errors so operators can respond to them before provisional assessment charges are levied:

DOE Ensure Complete Error	Error Explanation
Missing SAF	No SAF filed for DOE required volumetric activity
Missing SAF (Cascaded)	No SAF filed for cascaded allocation of a DOE required volumetric activity
Missing OAF	No OAF filed for DOE required volumetric activity
Invalid Owner Id	Invalid Owner on OAF for DOE required volumetric activity
Invalid Stream Id	Invalid Stream on SAF/OAF for DOE required volumetric activity
No SAF detail row	SAF details are not available for DOE required volumetric activity
No OAF detail row	OAF details are not available for DOE required volumetric activity
No SAF detail row for a cascade	SAF details for a cascaded allocation are not available for DOE required volumetric activity
Metering Difference	Volumetric difference reported by common stream operator at meter station
Unallocated CSO Volume	Unallocated volumes by common stream operator at meter station

See [Attachment 14](#) for sample DOE SAF/OAF Ensure Complete Process Results Report.

Provisional Royalty Compensation and Provisional Assessment Summary Report

The provisional royalty compensation (provisional assessment) for post Registry implementation production periods is triggered from reporting discrepancies in the SAF and OAF submissions rather than the S and OAS submissions for pre Registry implementation production periods.

If operators fail to correct the reporting errors that are identified on the DOE Ensure Complete report by the DOE allocation submission deadline, the volumes in error are then subject to provisional royalty compensation. The royalty rate and valuation price for provisional royalty compensation have not changed. Refer to *Chapter III, Section 8.1* of the *Natural Gas Royalty Principles & Procedures Sept 1, 2001* for how provisional royalty compensation is calculated.

Provisional Assessment Summary Report

The *Summary of Outstanding OAS Volumetric Discrepancies* report that royalty clients currently receive with the Gas Royalty Invoice as supporting details for their provisional assessment charges is replaced by the *Provisional Assessment Summary* report ([Attachment 15](#)) for provisional assessment charges that are related to post Registry implementation production periods. This report displays similar details as the *DOE Ensure Complete Process Results* report, with the exception of also displaying the associated provisional assessment charges.

Royalty clients who correct their SAF/OAF reporting errors will have any provisional assessment charges and related prior period interest charges reversed. Royalty clients who correct their SAF/OAF reporting errors prior to the next billing cycle will also have any related current period interests waived. These processes remain unchanged from pre Registry implementation production periods.

Confirmation of Stream Id Formats for Petroleum Registry Reporting

For production periods October 2002 and beyond, royalty clients submitting Stream Allocation Factors (SAF) or Owner Allocation Factors (OAF) are reminded of the valid stream formats required for Department of Energy reporting:

Well Events

Alberta well events must be reported as “AB WI” and then the 16-digit Unique Well Identifier assigned to that well. For example: AB WI 100203601305W400. Wells not reported as “AB WI” following with the 16-digit Unique Well Identifier will be rejected.

Well Groups

Consolidated well groups are no longer valid for production periods October 2002 and beyond. Please refer to Consolidated Well Group Terminations in the Reminders section of this Bulletin.

Injection Schemes

Reporting to the injection scheme level must include the Province/Type/5-digit unique injection scheme ID. For example: AB IS 12345

Units

Reporting to the unit level must include the Province/Type/5-digit unique unit ID. For example: AB UN 12345.

Facilities

Assigning volumes to a valid upstream Alberta facility ID on a Stream Allocation Factor is the means to accomplish the ‘cascade’ activity currently used on the OAS. The facility length should be in the new, 7-digit format. For example, allocating a percentage of volumes to AB GP 0001234 is in effect cascading the volumes to this facility.

Out-of-Province Stream Reporting

Out-of-province reporting applies to any situation in which the Province/State code is **not** AB (Alberta). For British Columbia and Saskatchewan streams, the Registry will validate the entire stream (Province, Type and Code – e.g. BC PL 5555) and provide a warning only if the reported stream does not match to Registry records. No errors will result, only warning messages. All other out-of-province streams are to be reported at the Province/State level **only**. For example, a stream of a Washington gas plant would only be reported as WA in the Registry, and nothing further.

The DOE will accept all out-of-province streams as reported in the Registry, and will perform no further validations.

Non-Operator Requirements to Access the Petroleum Registry

Non-operators are reminded that use of the Petroleum Registry is optional, **except** in the following circumstances:

1. The non-operator is currently accessing the DOE’s Electronic Transfer System (ETS).
2. The non-operator is currently receiving the DOE invoice in the User Defined Format (UDF).
3. The non-operator is involved in a consolidation (either as consolidator or consolidatee) with other Operators.
4. The non-operator has voluntarily elected to use the Registry.

Should any of the situations above apply to a non-operator, that client **must** access the Registry to submit/retrieve applicable royalty related information. The DOE will not issue additional paper copies.

F. PRINCIPLES AND PROCEDURES

Updates

Please replace or add the following pages within your copy of the Gas Royalty Principles and Procedures-September 2001 Edition with the enclosed updates:

Appendix F NGL Transportation Regions p. F1-F2

G. POINTS OF CONTACT

Petroleum Registry of Alberta

The Petroleum Registry of Alberta Service Desk can be reached at: 1-800-992-1144.

Department of Energy Hotline & Internet

Prices, Royalty Rates, and Transportation Information are available on the Department of Energy Internet address or hotline: (403) 297-5430. In addition, both the Gas Royalty Calculation Information Bulletin and Information Letter are also available on the Internet address: www.energy.gov.ab.ca

Note: The sulphur price can be accessed by calling the Department of Energy hotline at (403) 297-5430. Wait to hear the recorded list of options, then press #1 on your touch-tone phone for Natural Gas Information. Again, wait for the recorded list of options, then press #3 for Gas Royalty Rates.

Gas Royalty Calculation

Gas Royalty Calculation can be reached at:

Telephone: (780) 427-2962
Fax: (780) 427-3334 or (780) 422-8732
Alberta Toll Free: 310-0000 (Please do not dial “1” or “780”.)

Hours of operation are 8:15 a.m. to 4:30 p.m.

Voice messages left after 4:30 p.m. will be answered the next business day.

Calgary Information Centre

3rd Floor, 801 – 6th Avenue S.W.
Calgary, Alberta T2P 3W2
Telephone (403) 297-6324
Fax (403) 297-8954

Alberta Royalty Tax Credit Information

Alberta Tax and Revenue Administration

Tax Services

Telephone: (780) 427-3044

Alberta Toll Free: 310-0000

Fax: (780) 427-5074

For further information, please contact Angelina Leung at (780) 427-9425 ext 251.

David Breakwell
Director, Gas Royalty Calculation
Gas and Markets Development

Attachments

2002 GAS AND ISC PRICES

MONTH	Gas Reference Price (\$/GJ)	Gas Par Price (\$/GJ)	Methane ISC Reference Price (\$/GJ)	Methane ISC Par Price (\$/GJ)	Ethane ISC Reference Price (\$/GJ)	Propane ISC Reference Price (\$/GJ)	Butane ISC Reference Price (\$/GJ)	Pentanes plus ISC Reference Price (\$/GJ)
JAN	3.17	3.20						
FEB	2.71	3.17						
MAR	3.23	2.71						
APR	3.91	3.23						
MAY	3.91	3.91						
JUN	3.54	3.91						
JUL	3.17	3.54						
AUG	2.93	3.17						
SEPT	3.51	2.93						
OCT	4.27		4.23	3.49	4.56	4.64	4.68	4.71
NOV								
DEC								

*The Gas Par Price no longer exists under the NGL Framework changes.

Natural Gas and NGLs Select Prices for 2002				
Commodity	Pre-October Production	Post-October Production		
New Gas	1.252 \$/GJ	n/a		
Old Gas	0.372 \$/GJ	n/a		
New Methane	n/a	1.267 \$/GJ		
Old Methane	n/a	0.372 \$/GJ		
New Ethane	1.252 \$/GJ	1.267 \$/GJ		
Old Ethane	0.372 \$/GJ	0.372 \$/GJ		
Propane	n/a	1.267 \$/GJ		
Butane	n/a	1.267 \$/GJ		
Pentanes plus	45.30 \$/m3	45.30 \$/m3		
Royalty Factors for Pentanes plus				
	Base	Marginal	Base	Marginal
New Pentanes	22	35	22	35
Old Pentanes	22	50	22	50

DETAIL OF THE OCTOBER 2002 GAS AND ISC REFERENCE PRICES

	Gas	Methane	C2-IC	C3-IC	C4-IC	C5-IC
Weighted Average Price of Alberta	4.565 \$/GJ	4.539 \$/GJ	4.739 \$/GJ	4.769 \$/GJ	4.776 \$/GJ	4.781 \$/GJ
Deductions: Intra – Alberta Transportation	0.289 \$/GJ	0.307 \$/GJ	0.175 \$/GJ	0.123 \$/GJ	0.095 \$/GJ	0.071 \$/GJ
Marketing Allowance	0.030 \$/GJ	0.030 \$/GJ	0.030 \$/GJ	0.030 \$/GJ	0.030 \$/GJ	0.030 \$/GJ
Price Before Pipeline Factor	4.246 \$/GJ	4.202 \$/GJ	4.534 \$/GJ	4.616 \$/GJ	4.651 \$/GJ	4.680 \$/GJ
Pipeline Fuel/Loss Factor	0.987	0.987	0.987	0.987	0.987	0.987
Price before Special Adjustment	4.190 \$/GJ	4.147 \$/GJ	4.475 \$/GJ	4.555 \$/GJ	4.590 \$/GJ	4.619 \$/GJ
Special Adjustment	0.000 \$/GJ	0.000 \$/GJ	0.000 \$/GJ	0.000 \$/GJ	0.000 \$/GJ	0.000 \$/GJ
Price before 2% amendment limitation or rounding	4.190 \$/GJ	4.147 \$/GJ	4.475 \$/GJ	4.555 \$/GJ	4.590 \$/GJ	4.619 \$/GJ
Amendments: Carry forward (from previous RP month)	-0.004 \$/GJ	-0.004 \$/GJ	-0.004 \$/GJ	-0.004 \$/GJ	-0.004 \$/GJ	-0.004 \$/GJ
Prior Period Amendment Adjustment (current RP month)	0.129 \$/GJ	0.129 \$/GJ	0.129 \$/GJ	0.129 \$/GJ	0.129 \$/GJ	0.129 \$/GJ
Calculated RP after Amendments	4.315 \$/GJ	4.272 \$/GJ	4.600 \$/GJ	4.680 \$/GJ	4.715 \$/GJ	4.744 \$/GJ
OCTOBER 2002 Reference Price	4.27 \$/GJ	4.23 \$/GJ	4.56 \$/GJ	4.64 \$/GJ	4.68 \$/GJ	4.71 \$/GJ
Difference = value carried forward to next RP month	0.045 \$/GJ	0.042 \$/GJ	0.040 \$/GJ	0.040 \$/GJ	0.035 \$/GJ	0.034 \$/GJ
Adjusted IATD (before Prior Period Amendments)		0.303 \$/GJ	0.173 \$/GJ	0.121 \$/GJ	0.094 \$/GJ	0.070 \$/GJ
Prior period Amendments (IATD and Pipeline Fuel Loss)		0.000 \$/GJ	0.000 \$/GJ	0.000 \$/GJ	0.000 \$/GJ	0.000 \$/GJ
Adjusted IATD (after Prior Period Amendments)		0.303 \$/GJ	0.173 \$/GJ	0.121 \$/GJ	0.094 \$/GJ	0.070 \$/GJ

2002 NATURAL GAS PRODUCT PRICES

MONTH	Ethane Reference Price (\$/GJ)	Ethane Par Price (\$/GJ)	Propane Reference Price (\$/m3)	Propane Par Price (\$/GJ)	Propane Floor Price (\$/m3)	Butane Reference Price (\$/m3)	Butane Par Price (\$/GJ)	Butane Floor Price (\$/m3)	Pentanes plus Reference Price (\$/m3)	Pentanes plus Par Price (\$/m3)	Sulphur Default Price (\$ per tonne)
JAN	3.17	3.20	88.15		62.44	125.51		100.92	192.56	179.80	4.25
FEB	2.71	3.17	88.14		61.67	133.59		85.58	202.39	182.71	2.08
MAR	3.23	2.71	115.54		89.46	151.29		120.48	238.61	188.93	6.81
APR	3.91	3.23	127.52		119.33	165.92		142.78	266.20	228.29	4.43
MAY	3.91	3.91	125.63		109.72	161.03		132.84	267.65	255.79	6.94
JUN	3.54	3.91	105.48		96.77	149.66		130.06	251.58	257.71	8.67
JUL	3.17	3.54	113.79		98.29	153.30		133.87	261.36	239.43	4.44
AUG	2.93	3.17	133.16		121.60	180.55		152.82	280.83	250.65	10.97
SEPT	3.51	2.93	153.17		139.42	213.64		174.40	295.63	269.46	12.59
OCT	4.56	3.65	164.05	3.61	145.80	219.71	3.64	181.13	291.68	285.08	13.27
NOV											
DEC											

ANNUAL SULPHUR DEFAULT PRICE				
1997	1998	1999	2000	2001
\$9.98	\$6.01	\$10.54	\$10.96	\$0.30

2002
NGL TRANSPORTATION ALLOWANCE AND DEDUCTIONS

MONTH	PENTANES PLUS (a)				PROPANE AND BUTANE (b)				PENTANES PLUS, PROPANE & BUTANE (c)				FRAC. ALLOW. (per m3)
	REGION				REGION				REGION				
	1	2	3	4	1	2	3	4	1	2	3	4	
JAN	2.74	10.49	15.00	17.89	7.94	1.71	5.94*	6.39	9.99	15.92	15.26	7.81	8.75
FEB	10.24	12.31	15.91	19.03	9.42	4.64	7.92*	11.27	9.87	17.05	24.66	9.89	8.75
MAR	11.82	7.51	11.69	11.92	6.47	3.08	5.43*	7.48	13.28	16.64	27.47	16.61	8.75
APR	8.41	8.99	15.55	13.48	-0.40	-5.55	-2.00*	3.54	7.46	11.14	18.38	7.57	8.75
MAY	6.40	9.39	16.71	12.61	6.36	-1.34	3.93*	7.52	8.86	15.73	15.95	8.55	8.75
JUN	8.33	13.56	15.24	13.94	1.93	4.12	2.66*	6.28	7.76	12.24	18.61	5.92	8.75
JUL	11.43	8.50	11.05	12.59	8.78	3.07	6.99*	11.06	9.34	15.47	18.08	9.72	8.75
AUG	9.35	11.15	17.45	12.27	7.35	0.63	5.23*	9.71	9.42	15.64	20.27	11.57	8.75
SEPT	7.93	11.21	16.75	13.36	6.18	-3.69	3.07*	8.66	8.98	12.96	19.68	8.73	8.75
OCT	6.75	9.23	12.91	12.51	0.94	-4.38	-0.78*	-2.54	8.08	11.15	16.95	7.76	8.75
NOV													
DEC													

- (a) Pentanes Plus obtained as a specification gas product,
- (b) Propane and Butane obtained as specification products, and
- (c) Pentanes Plus, Propane and Butane contained in a natural gas liquids mix.

* Current month calculated allowance is based on an estimate.

Note: For details on “Prior Period Amendment Effects”, see Attachment 2A.

PRIOR PERIOD AMENDMENT EFFECTS												
NGL REFERENCE PRICES		OCTOBER 2002										
	<i>Propane</i>	<i>Butane</i>	<i>Pentanes</i>									
Price before amendments	164.053628	219.714349	291.682536									
Opening Rollover (from prior business mth)	-0.004552	0.000445	-0.003660									
Prior Period Amendment Adj. (NGL-1)	0.000000	0.000000	0.000000									
Prior Period Amendment Adj. (NGL-100)	0.000000	0.000000	0.000000									
Published Reference Price	164.05	219.71	291.68									
TRANSPORTATION ALLOWANCES		OCTOBER 2002										
	Pentanes Plus				Propane and Butane				Pentanes Plus, Propane & Butane			
AMENDMENTS	Region 1	Region 2	Region 3	Region 4	Region 1	Region 2	Region 3	Region 4	Region 1	Region 2	Region 3	Region 4
Opening Rollover (from prior business mth)	-0.004534	-0.001113	-0.000306	0.002100	-0.000107	-0.003420	-0.003365	0.004776	-0.002849	-0.004945	-0.002660	-0.003530
Prior Period Amendment Adj. (NGL1)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Prior Period Amendment Adj. (NGL-100)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Total Amendment Effect	-0.004534	-0.001113	-0.000306	0.002100	-0.000107	-0.003420	-0.003365	0.004776	-0.002849	-0.004945	-0.002660	-0.003530
Calculated Transp. Differential	6.755694	9.234085	12.913294	12.511365	0.943132	-4.372176	-0.774138*	-2.548204	8.081253	11.159034	16.953119	7.759096
Calculated Transp. Differential after Total Amendments	6.751160	9.232972	12.912988	12.513465	0.943025	-4.375596	-0.777503*	-2.543428	8.078404	11.154089	16.950459	7.755566
Published Transportation Allowance	6.75	9.23	12.91	12.51	0.94	-4.38	-0.78*	-2.54	8.08	11.15	16.95	7.76

Any estimates represented by () are calculated as the weighted average of the other regions for the same spec product transportation allowance, since the region is zero. The weightings are based on the previous year's production.

2002 ROYALTY RATES

MONTH	GAS – OLD (GOL) (% per GJ)	GAS – NEW (GNE) (% per GJ)	METHANE- OLD (% per GJ)	METHANE- NEW (% per GJ)	ETHANE - OLD (% per GJ)	ETHANE - NEW (% per GJ)	PROPANE (% per m ³)	BUTANES (% per m ³)	PENTANES - OLD (POL) (% per m ³)	PENTANES - NEW (PNE) (% per m ³)
JAN	35.00000	30.00000			35.00000	30.00000	30.00000	30.00000	42.94549	31.72469
FEB	35.00000	30.00000			35.00000	30.00000	30.00000	30.00000	43.05785	31.77686
MAR	35.00000	28.45018			35.00000	28.45018	30.00000	30.00000	43.28640	31.88297
APR	35.00000	30.00000			35.00000	30.00000	30.00000	30.00000	44.44391	32.42039
MAY	35.00000	30.00000			35.00000	30.00000	30.00000	30.00000	45.04124	32.69772
JUN	35.00000	30.00000			35.00000	30.00000	30.00000	30.00000	45.07819	32.71487
JUL	35.00000	30.00000			35.00000	30.00000	30.00000	30.00000	44.70242	32.54041
AUG	35.00000	30.00000			35.00000	30.00000	30.00000	30.00000	44.93956	32.65051
SEPT	35.00000	29.31741			35.00000	29.31741	30.00000	30.00000	45.29281	32.81452
OCT			35.00000	30.00000	35.00000	30.00000	30.00000	30.00000	45.55072	32.93426
NOV										
DEC										

* The Department calculates the gas royalty rate at the facility level. This Facility Average Royalty Rate (FARR%) is the weighted average royalty rate based on the ISC content within the royalty-triggered gas.

ISC Heat Range Table

ISC Product Code	ISC Product Description	Heat Value Range
C1-IC	Methane	36.000 – 38.700
C2-IC	Ethane ISC	63.000 – 69.000
C3-IC	Propane ISC	91.000 – 97.000
C4-IC	Butanes ISC	118.500 – 124.700
C5+-IC	Pentanes Plus ISC	145.700 – 290.000
CO2-IC	Carbon Dioxide ISC	0.000 – 0.000
H2-IC	Hydrogen ISC	9.000 – 15.000
H2S-IC	Hydrogen Sulphide ISC	20.800 – 26.800
HE-IC	Helium ISC	0.000 – 0.000
N2-IC	Nitrogen ISC	0.000 – 0.000
O2-IC	Oxygen ISC	0.000 – 0.000
SUL-IC	Sulphur ISC	0.000 – 0.000

NEW PLANTS				
EUB FACILITY CODE	FACILITY NAME	TRANSPORTATION REGION	PLANT TYPE	PLANT TYPE EFFECTIVE DATE
AB-GP-0001719	ENCANA VERGER 16-07	2	2	2002-10
AB-GP-0001756	AEC WEST HYTHE 14-18	4	2	2002-10
AB-GP-0001760	AEC EAST CYPRESS 8-3	2	2	2002-10
AB-GP-0001764	OLYMPIA WILDCAT HILLS	2	2	2002-10
AB-GS-0004712	RANGER STEVE 2-18-59-7	1	1	2002-10
AB-GS-0004734	CABRE WAPITI 2-25	4	1	2002-10
AB-GS-0004759	AEC LEISMER 12-16	3	1	2002-10
AB-GS-0006132	CDN OXY MORGAN 10-11 GGS	1	1	2002-10
AB-GS-0006224	JUMPUBSH 14-32	2	1	2002-10
AB-GS-0006314	BLAZE CITY OF MED. HAT 12-5	2	1	2002-10
AB-GS-0006458	STORM SYLVAN LAKE 16-14	1	1	2002-10
AB-GS-0006483	SOGAR GARRINGTON 06-03	1	1	2002-10
AB-GS-0006484	SOGAR GARRINGTON 07-23	1	1	2002-10
AB-GS-0006490	CANSWCOT CORBETT 15-19	1	1	2002-10
AB-GS-0006491	ENCANA VERGER 16-07	2	1	2002-10
AB-GS-0006492	RIFE KAKWA UNIT GGS	4	1	2002-10
AB-GS-0075006	FERRYBANK 2-1-44-28 W4 COMMINGLE	1	1	2002-10
AB-GS-0075008	CDN88 OLDS 2-14 GGS	2	1	2002-10
AB-GS-0075102	LOOKOUT BUTTE CALDWELL FUEL LINE	2	1	2002-10
AB-GS-0075201	ADVANTAGE MEDICINE HAT 12-22-14-4W4	2	1	2002-10
AB-GP-0075252	MARKWEST BANTRY 12-21-18-13 W4 PLANT	2	2	2002-10
AB-GS-0075309	OCHIESE 1-15 GGS	1	1	2002-10



Remaining Useful Life (RUL) Form
 (Must be completed for RUL other than 10 years)

PART 1: Identification			
		Date Prepared:	/ / (YYYY/MM/DD)
Facility Cost Centre ID:		Operator ID:	
Facility Cost Centre Name:		Operator Name:	
Setup <input type="checkbox"/>	Requested RUL:	RUL Based on:	
Change <input type="checkbox"/>	Current RUL:	<input type="checkbox"/> Life of Reserve (complete Part 2 of this form)	
	Requested RUL:	<input type="checkbox"/> Physical Life of Asset (complete Part 3 of this form)	
Effective Year of Change:	(After May 15 deadline, the effective date will be the first day of the next production year)		
Analysis Completed by:	(Accredited Engineer)		
Approved by:	Phone number:		

PART 2: Setup/Change RUL Based on Life of Reserve	
Economical Recoverable Reserves:	10 ³ m ³
Historical Decline Rate (if applicable):	%
Forecast Decline Rate:	%
Inflation Rate Used for Operating Expense	%
Attach the following printouts from an economic evaluation analysis. Production Forecast: Historical and forecast raw gas production, shrinkage, sales gas and natural gas liquids recovered by year. Price Forecast: Historical and forecast prices used for Gas, Ethane, Propane, Butanes, Pentanes and Sulphur by year. Cost Forecast: Historical and forecast of capital expenditures, fixed and variable operating costs by year. Cost Flow Summary Table: Historical and forecast revenue, costs, royalty payable, tax, before and after tax cash flow. Production Plot	

PART 3: Setup/Change RUL Based on Physical Life of Asset	
Estimated physical life of Facility Cost Centre assets	Years
Description of method used to estimate physical life	

Comments

SAMPLE BA USA AUTHORIZATION LETTER FROM BA TO CLIENT REGISTRY

(On Corporate Letterhead)

Date:

Alberta Department of Energy
Client Registry
9945 108 Street, 3rd Floor
Edmonton, Alberta
T5K 2G6

Re: Authorization of User Security Administrator for Petroleum Registry

I hereby authorize (*enter USA's name here*) to be the User Security Administrator for
(*enter company name here*), Business Associate ID (*enter BA 4 character identifier
here*).

Authorized by: (Print name, and add title as appropriate)

Signature

SAMPLE BA USA INFORMATION LETTER FROM BA TO CLIENT REGISTRY

(On Corporate Letterhead)

Date:

Alberta Department of Energy
 Client Registry
 9945 108 Street, 3rd Floor
 Edmonton, Alberta
 T5K 2G6

Re: BA Information required for Set-up of USA

*Note: * indicates that information is mandatory*

General Information

BA Id* _____
 BA Legal Name* _____
 Telephone Number* () - _____
 Telephone Extension _____

BA User Security Administrator Information

Surname* _____
 First Name* _____
 Second Name _____
 Telephone* () - _____
 Fax () - _____
 Email* _____
 Mailing Address _____
 (* if different from _____
 BA Corporate Address) _____

 City: _____
 Postal _____
 Code/Zip: _____
 Country: _____

Back-up BA User Security Administrator (Optional)

Surname* _____
First Name* _____
Second Name _____
Telephone* () - _____
Fax () - _____
Email* _____

Authorized by: (Print name, and add title as appropriate)

Signature

BUSINESS ASSOCIATE ROLES IN THE REGISTRY

Each Business Associate is defined by one or more BA Roles in the Registry. These roles allow the Alberta Department of Energy (DOE) and the Alberta Energy and Utilities Board (EUB) to categorize and conduct appropriate business with each BA.

BA Roles do not determine BAs' access permissions within the Registry. That level of security is determined by the BA User Security Administrators (BA USAs) in assigning User Roles, User IDs and facility access.

There are five BA Roles:

- **Operator** - An Operator is a Business Associate that is in control of, or undertakes, the day-to-day operations and activities at a well or facility, or keeps records and submits production reports for a well or facility, whether or not the company is also the licensee or approval holder for the well or facility.

A BA with this role is responsible for submitting:

- volume data, including confidential and experimental data
 - allocation data
 - pipeline split data
- **Working Interest Owner** - A Working Interest Owner is a Business Associate that has ownership in a well or facility. This company or individual may be named on an Owner Allocation Factor (OAF). This role can receive allocations and has the ability to re-allocate any volumes allocated to them.

A Business Associate may initiate or terminate this role by changing the start and end dates. The duration in which a BA has a WIO role may be expanded, but it may not be reduced.

- **Service Provider** - A Service Provider is a Business Associate (BA) that provides, on a fee-for-service basis, administrative and production accounting functions for other companies and/or individuals. A Service Provider that is contracted to work in the Registry is called a Designate BA.

The BA USA of the Contracting BA assigns appropriate authority and security restrictions to the Designate BA, enabling the designate to carry out work processes in the Registry on behalf of the Contracting BA.

- **View Only** - A Business Associate that requires View Only access to the Registry (such as a Shipper, Freehold, Overriding Royalty Owner, or other agencies from other jurisdictions)

A BA with this role has access to all non-confidential infrastructure data, their net share of volumes, and gross volumes of all non-experimental facilities.

- **Other** - Other describes a Business Associate that requires a BA Identifier (ID) for Ministry or Industry purposes but does not have any need for access to the Registry (for example, drilling/service rig operators).

SAMPLE BA ID REQUEST LETTER FROM BA TO CLIENT REGISTRY

(On Corporate Letterhead)

Date:

Alberta Department of Energy
 Client Registry
 9945 108 Street, 3rd Floor
 Edmonton, Alberta
 T5K 2G6

Re: BA ID Request

*Note: * indicates that information is mandatory*

General Information

BA Legal Name (* if Company) _____

Last Name (*if Individual) _____

First Name (*if Individual) _____

Middle Name (if Individual) _____

Care/Of Identifier (if applicable) _____

Care/Of Legal Name (if applicable) _____

Mailing Address _____

(* if NO Care/Of Given) _____

City: _____

Postal _____

Code/Zip: _____

Country: _____

Telephone Number* () -

Fax Number () -

Email Address
 (*if Contact email address is not given) _____

Alberta Corporate Access Number _____

GST Code*
 (Yes, No, Provincial or Special) _____

GST Registration Number
 (* if GST Code is anything other than 'No') _____

Contact Person Information

Contact Last Name* _____
 Contact First Name* _____
 Contact Middle Name _____
 Telephone Number* () - _____
 Fax Number () - _____
 Email Address _____
 (*if Corporate email address is not given) _____

Alternate Address Information (Gas and/or Oil Alternate Address)

Note: None, One or both alternate addresses can be supplied.

Mailing Address _____

 City: _____
 Postal Code/Zip: _____
 Country: _____
 Telephone Number () - _____
 Fax Number () - _____
 Email Address _____

BA User Security Administrator Information

If access to the Registry is being requested, please supply the following information:

Surname* _____
 First Name* _____
 Second Name _____
 Telephone* () - _____
 Fax () - _____
 Email* _____
 Mailing Address _____
 (* if different from BA Corporate Address) _____

 City: _____
 Postal Code/Zip: _____
 Country: _____

Back-up BA User Security Administrator (Optional)

Surname* _____
First Name* _____
Second Name _____
Telephone* () - _____
Fax () - _____
Email* _____

Business Associate Role(s)

List the BA role(s) you will assume as a Business Associate
(Operator, Working Interest Owner (WIO), Service Provider, View Only or Other)

EUB Licence Holder Information

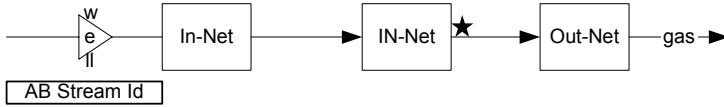
Abbreviated BA Name _____
(*If you wish to become an EUB Licence Holder)

Authorized by: (Print name, and add title as appropriate)

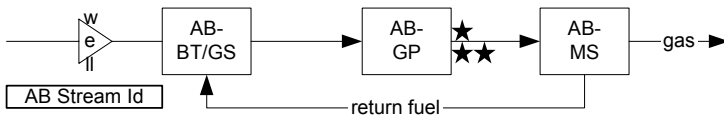
Signature

DOE Volumetric Royalty Triggers Schematic

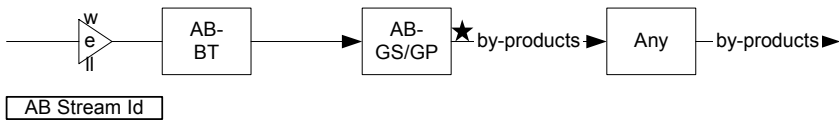
Royalty Trigger Type: Dispositions to Out of Network



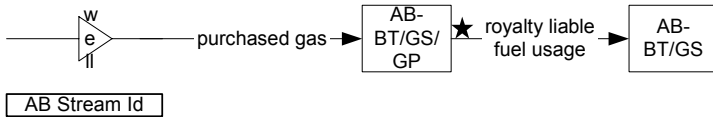
Royalty Trigger Type: Dispositions to Out of Network With Return Fuel



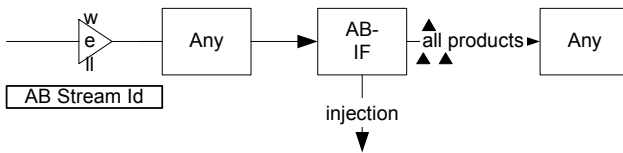
Royalty Trigger Type: By-Products Processing



Royalty Trigger Type: Royalty Liable Lease Fuel



Royalty Trigger Type: Injection Credit



- ★ Crown Royalty
- ▲ Injection Credit
- ★★ Crown Royalty reduction for return fuel
- ▲▲ Injection Credit reduction for deliveries from injection facility

Sample Crown Royalty Detail – Calculation Report

CROWN ROYALTY DETAIL CALCULATION													
Issue Date: 2002-11-30				Invoice #: 00000180171				Royalty Payer Code: OXYZ					
Royalty Client: OA0A								Name: FRANK'S DRILLING CO.					
Name: BOB'S RESOURCES LTD								Address: 232 32 AVE SW SUITE 2456					
Facility: AB-GS-0004841								LEDUC, AB					
Production Period: 2002-09								T2R5V4					
Royalty Product	Reference Price	Price Adjustment	Raw Gas Factor	Corporate Gas Factor	Adjusted IATD	Royalty Trigger Factor	Transportation Adjustment	Fractionation Rate \$	Valuation Price	Conversion Factor	Unit Operating Cost Rate \$	Reversal Status	Provisional Assessment Price
GAS	3.33				0.290	1.12	0.03		3.30	1			3.33
GAS	3.33		0.80		0.290	1.00	0.00		2.66	1			
Royalty Product	Client_Volumetric_Totals Quantity	Heat	Crown Interest%	Vintage Type	%	Rate	Crown_Royalty Quantity	Heat	Gross Royalty \$	Royalty Exemption \$	Operating Deduction \$	Charge Total \$	Interest Charge \$
Charge Type: Crown Royalty													
Stream Id: AB-WI-10141304220W400													
GAS	25.6	1091	100.0000000	NEW	100	34.80211	8.91	379.69	1,251.16	0	0	1,251.16	0
Charge Type: Provisional Assessment													
Stream Id:													
GAS	333.3	13176	100.0000000	NEW	100	35	116.66	4611.60	15,356.63	0	0	15,356.63	0
Charge Type: EOR Adjustment													
Stream Id: AB-IS-0010400													
GAS	59.7	2422	100.0000000	NEW	29.37	34.80211	6.10	247.56	659.50	0	0	659.50	0
Charge Type: Injection Credit													
Stream Id: AB-IS-0000400													
GAS	15.9	680	100.0000000	NEW	29.37	34.80211	1.63	69.51	185.16	0	0	185.16	0
TOTAL													
FACILITY: AB-GS-0004841													
CHARGE TYPE: Crown Royalty \$1,251.16													
Provisional Assessment \$15,356.63													
EOR Adjustment \$659.50													
Injection Credit \$185.16													
INTEREST CHARGE \$0.00													
<u>\$17,452.45</u>													

Sample Crown Royalty Detail – Volumetric Report

CROWN ROYALTY DETAIL
VOLUMETRIC

Invoice #: 112341

Issue Date: 2002-11-30
Royalty Client: 0A0A
Name: BOB'S RESOURCES LTD
Facility: AB-GP-4841534
Production Period: 2002-09

Royalty Payer Code: OXYZ
Name: FRANK'S DRILLING CO.
Address: 232 32 AVE SW SUITE 2456
LEDUC, AB
T2R5V4

Volumetric Trigger Details

Allocation Details

Volumetric Trigger Details								Allocation Details					Client Volumetric Totals	
Amend No.	Royalty Activity	Reporting Product	Reporting Facility	From/To Facility	Product	Volume	Energy	Amend No.	Owner Factor	Amend No.	Stream Facto	Allocator %	Quantity	Heat
Charge Type: Crown Royalty				Stream Id: AB-WI-100141304220W400				Stream Owner: 0F49		SAF/OAF Submitter: 0A0A				
1	DISP	GAS	AB-GP-4841534	AB-MS-1231232	GAS	230.0	9200	2	0.3500000000	0	0.242342300	0.2500000000	4.9	195.1
													=====	
													4.9	195.1
Charge Type: Crown Royalty				Stream Id: AB-WI-100143456440W800				Stream Owner: 0A0A		SAF/OAF Submitter: 0A0A				
1	PURDISP	GAS	AB-GP-4841534	AB-MS-1231232	GAS	456.0	18240	2	0.3500000000	1	0.342300000	1.0000000000	54.6	2185
													=====	
													54.6	2185
Charge Type: Crown Royalty				Stream Id: AB-WI-100143456440W800				Stream Owner: 0A0A		SAF/OAF Submitter: 0A0A				
1	PROC	C2-MX	AB-GP-4841534		C2-MX	23.0		2	0.4343440000	2	0.342300000	1.0000000000	3.4	
1	PROC	C3-MX	AB-GP-4841534		C3-MX	44.0		2	0.4343440000	2	0.342300000	1.0000000000	6.5	
													=====	
													10.0	

Sample DOE SAF/OAF Ensure Complete Process Results Report

Ensure Complete Process Results

Issue Date: 2001-11-30 11:56 PM
 Royalty Client: OPA
 Name: FRANKS PLANT OPERATING
 Billing Period: 2002-10

Royalty Payer Code: OPA
 Name: FRANKS PLANT OPERATING
 Address: 350 7 AVE SW SUITE 4000
 RED DEER, AB X0X 0X0
 CAN

Production Period	Stream Id	Product	Activity	From/To	Cascade	Owner Id	Volume	Error
Facility Id: AB-GP-0001002								
2001-09		GAS	DISP	AB-MS-0004567			100.0	MISSING SAF
2001-10	AB-BT-0001234	GAS	DISP	AB-MS-000975 3	AB-GP-000777		100.0	MISSING SAF (CAS CADE)
2001-10	AB-UN-0777 7	GAS	DISP	AB-MS-000789 2			30.0	MISSING OAF
2001-10	AB-WI-1000580800117400	GAS	DISP	AB-MS-000789 2		OK01	200.0	INVALID OWNER ID
2001-10	AB-WG-04567	C5-SP	PROC				10.0	INVALID STREAM ID
Facility Id: AB-GP-0004321								
							REQUIRED ALLOCATIONS COMPLETE	
Facility Id: AB-GP-0004322								
2001-10		GAS	DISP	AB-MS-0004586			50.0	MISSING SAF
Facility Id: AB-MS-700012								
2001-10		GAS	DIFF				5,200.0	METER DIFF AT METER STATION
Facility Id: AB-MS-700013								
2001-10		GAS					12,000.0	UNALLOCATED CSO VOLUME

*** ** End Of Report ** ****

Sample Provisional Assessment Summary Report

Provisional Assessment Summary

Issue Date: 2001-11-30
 Royalty Client: OJPA
 Name: FRANKS PLANT OPERATING
 Billing Period: 2002-10

Invoice #: 146038

Royalty Payer Code: OJPA
 Name: FRANKS PLANT OPERATING
 Address: 350 7 AVE SW SUITE 4000
 RED DEER, AB X0X 0X0
 CAN

Production Period	Billing Period	Stream Id	Product	Activity	From/To	Cascade Facility	Owner Id	Error	Quantity Discrepancy	Energy Discrepancy	Provisional Assessment Charges \$
Facility Id: AB-GP-0001002											
2002-09	2002-09		GAS	DISP	AB-M3-0004567			MISSING SAF	100.0	3.700	4.144.00
2002-09	2002-09		GAS	PROC				NO SAF DETAIL ROWS EXIST	200.0	5.600	6.272.00
2002-10	2002-10	AB-BT-0001234	GAS	DISP	AB-M3-0009753	AB-GP-0007777		MISSING SAF (CASCADE)	100.0	3.700	4.144.00
2002-10	2002-10	AB-UV-07777	GAS	DISP	AB-M3-0007892			MISSING SAF	30.0	1.110	1.243.20
2002-10	2002-10	AB-WI-100101202301W400	GAS	DISP	AB-CO			NO SAF DETAIL ROWS EXIST	150.0	4.000	4.480.00
2002-10	2002-10		GAS					INVALID STREAM ID	50.0	1.850	2.072.00
		AB-WI-102020101401W400		DISP	AB-CO						
		AB-WI-102020101401W400		DISP	BC-GP-0921						
2002-10	2002-10	AB-WI-1000500000117W400	GAS	DISP	AB-M3-0007892		0X01	INVALID OWNER ID	200.0	7.400	8.288.00
2002-10	2002-10	AB-WC-04567	CS-GP	PROC				INVALID STREAM ID	10.0	370	414.40
								Total for AB-GP-0001002	840.0	27.730	31.057.60
Facility Id: AB-GP-0004321											
2002-10	2002-10		GAS	DISP	AB-M3-0004586			MISSING SAF	50.0	1.850	2.072.00
								Total for AB-GP-0004321	50.0	1.850	2.072.00
Facility Id: AB-M3-0700012											
2002-10	2002-10		GAS	DIFF				METER DIFF AT METER STATION	5.200.0	213.200	238.784.00
								Total for AB-M3-0700012	5.200.0	213.200	238.784.00
Facility Id AB M3 700013											
2002-10	2002-10		GAS					UNALLOCATED C&O VOLUME	12.000.0	480.000	537.600.00
								Total for AB-M3-0700013	17.200.0	693.200	776.364.00
								Total For OJPA	17.690.0	711.330	796.689.60

***** End Of Report *****

1. EUB Facility Code

AB GP 0001001	AB GP 0001156	AB GP 0001360	AB GS 0003395
AB GP 0001002	AB GP 0001161	AB GP 0001404	AB GS 0004125
AB GP 0001004	AB GP 0001168	AB GP 0001482	AB GS 0004178
AB GP 0001025	AB GP 0001169	AB GP 0001645	AB GS 0004367
AB GP 0001031	AB GP 0001184	AB GP 0001899	AB GS 0004446
AB GP 0001097	AB GP 0001224	AB GP 0001964	AB GS 0004623
AB GP 0001104	AB GP 0001269	AB GP 0001997	
AB GP 0001108	AB GP 0001308	AB GS 0002397	
AB GP 0001133	AB GP 0001311	AB GS 0003097	

2. Paper annual forms that were rejected by DOE because of incorrect facility identifiers

Operator ID	Form Type	EUB Facility Code	Facility Cost Centre
0002	AC2	AB GP 0001047	10025218
0002	AC2	AB GP 0001047	10020945
0002	AC5		
0026	AC2	AB GP 0001520	41261
0026	AC2	AB GP 0001520	03864A
0026	AC2	AB GP 0001520	03864B
0026	AC2	AB GP 0001520	03864C
0026	AC2	AB GP 0001520	03864D
0031	AC5		
0060	AC5		
0236	AC5		
0246	AC2	AB GP 0001360	10025121
0307	AC5		
0DF3	AC2	AB GP 0001679	01679A
0E21	AC5		
0FC2	AC2	AB GP 0001524	10025302
0FC2	AC2	AB GP 0001524	10026588
0FC2	AC2	AB GP 0001524	10029066
0FC2	AC2	AB GP 0001524	10029067
0FW6	AC5		
0HF7	AC5		
0J6Z	AC5		
0JT1	AC2	AB GP 0001161	01161
0L31	AC2	AB GP 0001219	02706H
0L31	AC2	AB GP 0001219	02706K
0L31	AC2	AB GP 0001219	02706L
0L31	AC2	AB GP 0001219	02706M
0L31	AC2	AB GP 0001219	02706P
0L31	AC2	AB GP 0001219	40921A
0L31	AC2	AB GP 0001219	40922A
0L31	AC5		
0LF3	AC5		
0MX4	AC5		
0PM2	AC5		
0R89	AC2	AB GS 0002443	02443G
0R89	AC5		
0TC5	AC5		
0WE1	AC2	AB GP 0001550	10000025
0WE1	AC2	AB GP 0001550	03955F

3. 1998 Volumetric Discrepancies

Operator ID	EUB Facility Code	Operator ID	EUB Facility Code
0002	AB GP 0001002	0K13	AB GP 0001084
0002	AB GP 0001070	0K13	AB GS 0002560
0002	AB GP 0001097	0K13	AB GS 0004482
0307	AB GP 0001402	0K13	AB GS 0004560
0307	AB GS 0004567	0LR8	AB GP 0001004
0BK8	AB BT 0044528	0LR8	AB GP 0001013
0BK8	AB GP 0001002	0LR8	AB GP 0001036
0BK8	AB GP 0001004	0LR8	AB GP 0001084
0BK8	AB GP 0001021	0LR8	AB GP 0001108
0BK8	AB GP 0001067	0LR8	AB GP 0001130
0BK8	AB GP 0001191	0LR8	AB GP 0001860
0BK8	AB GP 0001198	0LR8	AB GP 0001997
0BK8	AB GP 0001510	0LR8	AB GS 0003698
0BK8	AB GP 0001690	0P54	AB BT 0044952
0BK8	AB GP 0001695	0P54	AB GP 0001002
0BK8	AB GP 0001874	0P54	AB GP 0001699
0BK8	AB GS 0003670	0P54	AB GS 0003568
0BK8	AB GS 0004671	0R61	AB GS 0002783
0BK8	AB GS 0004672	0R61	AB GS 0003410
0BK8	AB IF 0008972	0R61	AB IF 0009901
0BP8	AB BT 0040518	0T65	AB GP 0001542
0BP8	AB BT 6850662	0T65	AB GP 0001964
0BP8	AB GP 0001075	0TM9	AB IF 0009908
0BP8	AB GP 0001088	0WC8	AB GP 0001025
0BP8	AB GP 0001143	0WC8	AB GP 0001031
0BP8	AB GP 0001153	0WC8	AB GP 0001169
0BP8	AB GP 0001392	0WC8	AB GP 0001506
0BP8	AB GP 0001506	0WC8	AB GP 0001645
0BP8	AB GP 0001625	0WC8	AB GP 0001895
0BP8	AB GS 0002342	0WC8	AB GP 0001997
0BP8	AB GS 0003268	0WC8	AB GP 0004226
0BP8	AB GS 0004551	0WC8	AB IF 0009120
0CW9	AB GP 0001156	0WE1	AB GP 0001004
0CW9	AB GS 0002783	0WE1	AB GP 0001263
0CW9	AB GS 0003151	0WJ5	AB GP 0001104
0G30	AB BT 6850578	0WJ5	AB GP 0001164
0G30	AB BT 6850588	0WJ5	AB GP 0001165
0G30	AB BT 6850615	0WJ5	AB GP 0001374
0G30	AB GP 0001088	0WJ5	AB GS 0003044
0G30	AB GP 0001164		

4. Invalid Well Identifiers on OAS documents that triggered Provisional Assessment charges, and/or injection credit recalculations

Operator ID	EUB Facility Code
0039	AB GP 0001034
0060	AB GP 0001034
0AW4	AB GS 0004408
0K13	AB GS 0002560
0K13	AB GS 0004482
0K13	AB GS 0004560
0NH1	AB GP 0001158
0WC8	AB GS 0004226
0WC8	AB IF 0009120

5. Potential royalty recalculations as a result of 1998 well application status changes, and/or well ID changes.



COMMERCIAL STORAGE ACTIVITY REPORT
(Schemes approved prior to October 2002, Production month)

PART 1: IDENTIFICATION

PRODUCTION PERIOD (Yr & Month): _____

Injection Scheme ID		Function	Name	ID
Injection Facility ID		Operator		
Reproducing Facility ID		Owner		
Meter Station Tie To Reproducing Facility ID				

PART 2: NATURAL GAS ACTIVITY

INITIAL FILING

AMENDING

Activity	10³M³	Heat Content - GJ's
Balance – Inventory Opening		
Volumes Injected - Net		
Volumes Withdrawn – Gross		
Balance - Inventory Closing		

PART 3: CONTACT INFORMATION

Name: _____ **Telephone No:** _____ **Date:** _____

- **Balance – Inventory Opening Must Be Equal To Previous Month's Balance – Inventory Closing**
- **Forms are required to be submitted by the 11th workday or the 15th of each month, whichever is first to fall on a workday**
- **Forms can be faxed to (780) 422 8732 or mailed to Gas Royalty Calculation, 8th Floor, North Tower, Petroleum Plaza, 9945 – 108 Street, Edmonton, AB, T5K 2G6, Attention: Royalty Programs**
- **Telephone inquiries may be directed to (780) 422 9265 or (780) 422 9260**

Overview

The Transportation Allowances applied as a deduction from NGL reference prices (*refer to Ch III, Sec. 2.3.1*) are defined in the context of the geographical regions described below and depicted on the map provided.

1. NGL Transportation Region 1

NGL Transportation Region 1 (*for definition of Transportation Region, please see Appendix N - Glossary*) is defined as the area:

- bounded on the NORTH by:
 - the north border of the 70th township
- bounded on the EAST by:
 - the 4th meridian
- bounded on the SOUTH by:
 - the north border of the 35th township
- bounded on the WEST by:
 - the west border of the 13th range west of the 5th meridian

2. NGL Transportation Region 2

NGL Transportation Region 2 is defined as the area:

- bounded on the NORTH by:
 - the span of the north border of the 35th township between the 4th meridian and the west border of the 13th range west of the 5th meridian, *and*
 - the span of the north border of the 56th township between the east border of the 14th range west of the 5th meridian and the Alberta-British Columbia border
- bounded on the EAST by:
 - the 4th meridian, from the 49th parallel to the north border of the 35th township, *and*
 - the east border of the 14th range west of the 5th meridian, from the north border of the 35th township to the north border of the 56th township
- bounded on the SOUTH by:
 - the 49th parallel; and
- bounded on the WEST by:
 - the Alberta-British Columbia border

3. NGL Transportation Region 3

NGL Transportation Region 3 is defined as the area:

- bounded on the NORTH by:
 - Alberta-N.W.T. border
- bounded on the EAST by:
 - the 4th meridian, from the south border of the 71st township north, to the Alberta-N.W.T border *and*
 - the west border or the 13th range west of the 5th meridian, from the north border of the 65th township to the south border of the 71st township
- bounded on the SOUTH by:
 - the south border of the 71st township, from the 4th meridian to the west border of the 13th range west of the 5th meridian, *and*
 - the south border of the 66th township, from the east border of the 14th range west of the 5th meridian to the west border of the 20th range west of the 5th meridian, *and*
 - the south border of the 83rd township, from the east border of the 21st range west of the 5th meridian to the Alberta-British Columbia border; *and*
- bounded on the WEST by:
 - the west border of the 20th range west of the 5th meridian, from the south border of the 66th township to the north border of the 82nd township, *and*
 - the Alberta-British Columbia border from the south border of the 83rd township north to the Alberta-N.W.T. border

4. NGL Transportation Region 4

NGL Transportation Region 4 is defined as the area:

- bounded on the NORTH by:
 - the north border of the 65th township, from the east border of the 14th range west of the 5th meridian to the west border of the 20th range west of the 5th meridian, *and*
 - the north border of the 82nd township, from east border of the 21st range west of the 5th meridian to the Alberta-British Columbia border
- bounded on the EAST by:
 - the east border of the 14th range west of the 5th meridian, from the south border of the 57th township to the north border of the 65th township, *and*
 - the east border of the 21st range west of the 5th meridian, from the south border of the 66th township line to the north border of the 82nd township
- bounded on the SOUTH by:
 - the south border of the 57th township, form the east border of the 14th range west of the 5th Meridian to the Alberta-British Columbia border.
- bounded on the WEST by:
 - the Alberta-British Columbia border, from the north border of the 82nd township to the south border of the 57th township.