

**GAS ROYALTY CALCULATION  
INFORMATION BULLETIN  
March 2009**

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## **A. PRICING RATES AND TRANSPORTATION INFORMATION**

For Pricing, Royalty Rates and Transportation Information for January 2009, refer to [Attachments 1, 1A, 2, 2A](#), and [3](#). These attachments are also available in [Excel format](#).

## **B. NOTICES**

### **Well Event Measured Depth Determination Letter**

The department has issued a “Well Event Measured Depth Determination Letter” under the Report Package DOE – Gas to facility operators via the PRA on February 26 and March 13, 2009. This letter shows the confirmed Measured Depth (MD) of each active well event that will be used to calculate the Depth Factor (DF) of the quantity component rate under the new royalty formula. A well event that is not listed on the letter and does not have a confirmed MD will receive a DF of 1. When the changes to the MD are confirmed by the department, a letter is issued to a facility operator who reports changes through the PRA to well event attributes affecting MD. All changes to the MD are applied on a go forward basis only, if a retroactive change is required, a written request must be submitted to the department. Facility operators are advised to submit well event attribute changes by the last day of the calendar month in order for timely determination of MD.

### **Information on the Alberta Royalty Framework**

Details on the changes to the [Natural Gas Deep Drilling Program, New Royalty Formula and Gas Cost Allowance](#) are available on the Alberta Energy Internet address: [www.energy.alberta.ca](http://www.energy.alberta.ca). From “Our Business”, navigate to “Natural Gas”, “Legislation, Guidelines & Policies”, “Gas Royalty Information Bulletins”. These documents are also available under “About Us”, navigate to “Royalty Framework”.

### **Monthly Allowable Cost Estimates**

With reference to the changes on [Gas Cost Allowance](#), the following two new reports have been designed to show the calculated go-forward estimated costs for a production year. These reports are sent to royalty clients using the same mode of delivery as that of their invoice, and are available in CSV, PDF, and TXT formats.

#### **1. The Allowable Cost Estimates (ACEST) report**

This report shows the calculated allowable cost estimates for capital, operating and custom processing at each Energy Resources Conservation Board (ERCB) facility, as well as the go-forward Facility Effective Royalty Rate (FERR).

The initial report that shows the 2009 calculated go-forward estimates were issued to royalty clients by the beginning of March 2009, before the January 2009 Billing Period (BP) invoice. Clients may submit a written request for an amendment to their go-forward estimated costs. The request is subject to department’s review and approval.

Whenever there is a recalculation of the go-forward estimates in the system, the system will re-issue this report.

## **2. The Monthly Allowable Cost Deduction (ACMTH) report**

This report shows the details of the calculation of the estimated monthly Crown share of allowance for capital, operating and custom processing, to support the current month's Crown share of allowance on the invoice. It is sent monthly as part of the client's invoice package.

### ***Amended Cost Estimates for the 2008 and 2009 Production Years***

If a 2008 go-forward cost estimate was reviewed and manually changed before the December 2008 BP invoice, the system has replaced it with a new cost estimate calculated for 2009 in the January BP invoice. This new cost estimate does not take into consideration any information previously provided.

For new royalty clients with no cost history, if a go-forward cost estimate was manually processed for the 2008 production year, the system does not automatically set up a 2009 go-forward estimate. The clients must submit a written request together with supporting documentation for setting up their estimate.

If a go-forward cost estimate is manually processed in the January, February, March or April production months, the system will not replace it with a new go-forward estimate in the April Initial Annual Billing Period invoice. A client must submit a written request for a subsequent adjustment to be made.

### ***Annual Allowable Cost (AC) Forms for 2009***

The department will introduce new versions of the AC forms and will not accept the current versions for 2009 and subsequent production years' cost reporting.

If you require further information on these changes, please contact your respective Gas Royalty Client Services portfolio representative as identified in [Section F](#) of this bulletin.

## **C. MONTHLY INFORMATION**

### **January 2009 Royalty Due April 30**

- **Royalty clients are to remit the total amount payable shown on the April 2009 Statement of Account by April 30, 2009.** 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 April 2009 Statement of Account shows your amount payable as of the Statement issue date. It includes any outstanding balances from your previous statement, your January 2009 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 January 2009 if it is paid in full by April 30, 2009.
- 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, the next business day will apply as the due date.**
- Cheques are payable to the Minister of Finance, Province of Alberta.

### **February 2009 VA4 Due April 15**

The VA4 forms for the production month of February 2009 are due in the department offices by April 15, 2009.

**Note: If the due date falls on a non-business day, the next business day will apply as the due date for VA4 forms.**

### **Registry Deadline Submissions**

The Registry deadline submissions for SAF, OAF, and Volumetrics are posted in the [Petroleum Registry of Alberta](#) website “Reporting Calendars” under Bulletin Board.

Changes to this calendar will be posted on the Registry website home page in “Broadcast Messages.”

### **Interest Rate March 2009**

Alberta Energy’s interest rate for March 2009 is 4.00%.

### **December Provisional Assessment Charge**

The summary of Provisional Assessment Charges for all production periods in the December 2008 billing period was:

<b>First Time Provisional Assessment</b>	<b>Reversals of Provisional Assessments</b>	<b>Net Provisional Assessment</b>
<b>\$21,181,891.24</b>	<b>(\$2,180,171.83)</b>	<b>\$19,001,719.41</b>

### **December Penalty Charges**

The penalty table below shows at the form level, the total penalty charges and reversals, for the December 2008 billing period:

FORM	Penalty Charges	Penalty Reversals	Net Penalty Charges for 2008/12
AC2	\$95,900	(\$900)	\$95,000
AC4	\$1,400	\$0	\$1,400
AC5	\$0	\$0	\$0
GR2	\$0	\$0	\$0
NGL1	\$0	\$0	\$0
VA2	\$0	\$0	\$0
VA3	\$0	\$0	\$0
VA4	\$400	\$0	\$400
<b>Total</b>	<b>\$97,700</b>	<b>(\$900)</b>	<b>\$96,800</b>

### Gas Royalty Calculation Support

Gas Royalty Calculation staff will be available monthly to meet with clients who need assistance with royalty reporting. Royalty clients requiring assistance are encouraged to contact your respective Gas Royalty Client Services portfolio representative, as identified in [Section F](#) of this bulletin, two business days before the meeting date to arrange an appointment. The scheduled date is as follows:

**Where:**

AMEC Place

Room 437, 801-6 Avenue SW

Calgary, Alberta

Phone: 403-297-8954

(Industry must go to the 3rd Floor Reception upon arrival to sign-in and be given a visitor tag)

**When: (10 am to 3 pm)**

March 26, 2009

## **D. INFRASTRUCTURE DATA CHANGES**

### Client ID Listing

The BA Identifiers Report is a directory of Business Associate (BA) names, codes, status (e.g. struck, active, amalgamated, etc.), status effective dates, and effective August 2004, includes Working Interest Owner (WIO) role start/end dates.

This report is also published daily on the Petroleum Registry website at:

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

The department reminds Business Associates to review their WIO role to ensure the start and end dates are reflected correctly. If the BA does not have an active WIO role, the operators cannot allocate volumes to the BA for the relevant production periods through the SAF/OAF allocations.

- If a BA has a WIO role, then that BA can receive SAF/OAF allocations from the WIO role start date forward.
- If a BA has a WIO role with an end date, then they can only receive SAF/OAF allocations from the WIO role start date until the end date. Any SAF/OAF allocations after the end date will be rejected.
- If a BA does not have a WIO role start date, then that BA cannot receive SAF/OAF allocations.

Please contact Client Registry at 780-422-1395 if you have any questions regarding the information supplied on this listing.

### **Client Status Changes**

Clients must ensure that all 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.

### **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 Natural Gas website's Royalty Related Information page under [Facility Royalty Trigger Factors and Meter Station Ties](#).

## **E. REMINDERS**

### **Otherwise Flared Solution Gas (OFSG) Royalty Waiver Program**

The department reminds royalty clients that the OFSG program, for wells that have received ten years of OFSG royalty waiver, has been ended with production month January 2009. Should you have any questions, please contact Joyce Chen at 780-422-8083.

For the initial list of pre-qualified OFSG well events, you can go to the [Information Bulletin – August 1999](#).

For the existing OFSG well events, you can go to [Otherwise Flared Solution Gas Royalty Waiver Program \(OFSG\) Wells](#), for a MS Excel version or Adobe Acrobat version.

For applicable business rules and compliance information for the OFSG program, you can go to the Alberta Natural Gas Royalty Guidelines 2006 ([Chapter 5, Section 2](#)) and Natural Gas Royalty Regulation, 2009 ([Schedule 7](#)).

## **Historical Pricing and Royalty Data**

[Attachment 4](#) is a listing of historical royalty related data for information purposes.

## **Annual Weighted Average Gas Reference Price**

The Annual Weighted Average Gas Reference Price for 2008 is \$7.41. This price is used in the calculation to determine the 2008 minimum price for the Gas Corporate Average Price. Refer to [Chapter IV, Section 1.9.6.3](#) of the Guidelines for additional information.

## **Weighted Average Aggregator Overhead Marketing and Administration Charges (OMAC)**

For Gas Corporate Average Price (CAP) filers, when determining the netback value, the weighted average OMAC type charges may be deducted for sales to non-designated aggregators. Refer to [Chapter IV, Section 1.9.6.1](#) of the Guidelines for additional information.

The Weighted Average Aggregator OMAC (\$/GJ) for 2008 is \$0.019. Refer to [Chapter IV, Sections 1.5.7](#) of the Guidelines for additional information.

## **Monthly Sulphur Corporate Average Price Calculation – VA4 Form**

The department requires royalty clients with an annual sulphur production of 30,000 tonnes or greater in the 2008 production year to file VA4 forms monthly, beginning with the January 2009 production month. The VA4 form is due on or before the 15th day of the second month following the respective production month. A royalty client whose annual sulphur production is less than 30,000 tonnes may choose to file the VA4 forms monthly beginning with January's production month; however, if this choice is made, the client must file VA4 forms for the entire year. The department will use the VA4 forms to determine each client's monthly Sulphur Corporate Average Price (S-CAP) and the monthly sulphur default price. We calculate each month's sulphur default price as the weighted average unit value of all arms length sales for all clients who filed VA4 forms for that month. The department will value and invoice the Crown royalty share of sulphur production monthly using the respective S-CAP price for clients who file VA4 forms, and the sulphur default price for clients who chose not to file VA4 forms. The VA4 form is subject to \$100 in late filing penalties for each month or part of the month the form is past due. The VA4 form for the production month of January 2009 was due in the department by March 17, 2009.

Royalty clients who file monthly VA4 forms must file annual VA3 forms. The VA3 form remains the primary sulphur valuation tool and the S-CAP determined from each VA3 will replace the entire year's monthly prices determined from the VA4 forms. The VA3 is due on or before April 15th of the year following the year of production. Interest is charged/paid on the Crown royalty difference when adjusting from monthly to annual valuation. The VA3 form is subject to a one-time \$1,000 late filing penalty.

The following royalty clients must submit VA4 forms effective with the 2009 production year, which includes any pricing information for each of its consolidated/amalgamated entities:

Client ID	Client Name	Client ID	Client Name
0017	IMPERIAL OIL RESOURCES	0KT5	ESPRIT EXPLORATION LTD.
0039	TALISMAN ENERGY INC.	0PF8	HUNT OIL COMPANY OF CANADA, INC.
0054	SUNCOR ENERGY INC.	0R46	HUSKY OIL OPERATIONS LIMITED
0060	BP CANADA ENERGY COMPANY	0W9D	CONOCOPHILLIPS CANADA (BRC) PARTNERSHIP
0226	NEXEN INC.	0WW6	HIGHPINE ENERGY LTD.
0246	PETRO-CANADA	0YT7	MANCAL ENERGY INC.
0BP8	PENN WEST PETROLEUM LTD.	A05T	MEC OPERATING COMPANY ULC
0CW8	COMPTON PETROLEUM CORPORATION	A08J	ENERPLUS OIL & GAS LTD.
0D7E	ENCANA OIL & GAS PARTNERSHIP	A0L6	FAIRBORNE PIVOTAL PRODUCTION PARTNERSHIP
0F3F	DEVON CANADA	A162	DAYLIGHT ENERGY LTD.
0HE9	CANADIAN NATURAL RESOURCES LIMITED	A2F0	SHELL CANADA ENERGY
0JT1	EXXONMOBIL CANADA ENERGY	A2TG	TAQA NORTH LTD.

### **Turnaround Time for Allowable Cost (AC) Submissions**

#### **Facility Cost Centre Set-up/Change (AC1)**

With the March 1 deadline of AC1 submissions for 2008, new FCC set-ups submitted through batch or on-line are processed by the department within a half-day turnaround time and these requests are not delayed due to an invoice cycle. All other FCC changes are processed overnight and do not occur during an invoice cycle. AC1s submitted on the weekend and on any statutory holiday are not processed until the next business day.

#### **Annual Allowable Cost Submissions (AC2, AC3, AC4 and AC5)**

AC2, AC3, AC4 and AC5 are processed nightly except:

- During an invoice cycle, and
- Submissions made on a weekend or on any statutory holiday, which will not be processed until the next business day.

### **Royalty Liable Gas Used for Fuel (PURREC and PURDISP) System Enhancement in PRA**

When there is a sale of gas or transfer of ownership within the royalty network the gas volume is subject to royalty. Currently where the gas is sold and is used for fuel, it must be reported as a “PURREC” (Purchased Receipt) by the facility operator receiving it. This auto creates a PURDISP at the seller’s facility.

For example: If a Gas Plant (GP) sells gas for fuel to a Battery (BT) each month, the reporting is:

1. The BT operator must report a PURREC.
2. This will auto populate a PURDISP at the GP.
3. The GP operator must then file a SAF/OAF for the PURDISP.



To enhance the controls to prevent fuel gas volumes being incorrectly reported, the department, in consultation with PRA, will be implementing a change in the reporting responsibility within PRA such that the reporting will be reversed – i.e. the Seller will be required to report PURDISP which would then auto create the PURREC for the Purchaser. This shift in responsibility and reporting has been scheduled in June 2009. Further updates will follow.

### **Capital Cost Allowance Filing - Expected AC2 Reports on the Registry**

The Crown deducts allowances for costs incurred and paid in Alberta for compressing, gathering and processing its royalty share of gas and gas products. The Facility Cost Centre (FCC) operator, on record at year end, is responsible for filing the capital cost allowance data (AC2-V3) via the Registry.

The Expected AC2 Report identifies the FCC operator as of a specific date and is generated to aid FCC operators in verifying their status as well as effective date. In addition, it identifies whether a valid Capital Cost Allowance (AC2) was submitted for a production year.

The Expected AC2 Report is grouped by an Energy Resources Conservation Board (ERCB) Facility and related FCC. The report displays the following:

- Facility ID and Facility Name
- FCC ID and FCC Name
- “Y”(yes) and “N”(no) Indicators to identify whether or not the FCC is fully depreciated
- The FCC Operator Effective Date
- “Y”(yes) and “N”(no) Indicator to determine whether or not an AC2 was submitted for the production year
- All consolidated/amalgamated companies have been included within this report, where applicable.

The information in the report reflects the department’s records as of the file preparation date and does not reflect submissions subsequently received and/or processed. Any submissions (AC1, AC2, Invoice Consolidation Concurrence – ICC1, etc) processed after the report date will not be shown. Please note that absence of a company name or FCC from these reports will not be an acceptable reason to waive a penalty once assessed.

The Expected AC2 Report is available in PDF, TXT and CSV formats and is generated weekly during the Gas Cost Allowance reporting season. Effective Monday February 2, 2009, and each Monday thereafter to Monday, May 11, 2009, with the exception of Mondays that are scheduled during invoice processing, the Expected AC2 reports are available on the Registry. This report may be requested on demand, on a client basis, by contacting your respective Gas Royalty Client Services portfolio representative as identified in [Section F](#) of this bulletin or Will Wong at 780-415-0755.

If you are not the operator for the FCC identified on the report, please submit a Facility Cost Centre Set-Up/Change (AC1-V2) via the Registry identifying the change in operator and its effective date. An AC1 submission identifying an FCC change in operator is due on or before the last day of the month following the production month in which the change occurred. For information regarding the AC1-V2 submission, please refer to [Chapter VI, Section 2](#) of the Alberta Natural Gas Royalty Guidelines, July 2006.

Please note that FCCs that are shut-in or terminated for an entire production year will not appear on the report. Operators of fully depreciated (zero remaining useful life) FCCs remain responsible for AC2-V3 submissions. Submissions are required to ensure the department has correctly identified Capital Cost Allowance allocations and Custom Processing Adjustment Factors for the FCC. AC2-V3 submissions will also prevent operating cost recaptures for royalty clients with ownership interest in an FCC.

AC2-V3 submissions are required to be filed on the Registry. An AC2-V3 can be entered online or by batch. If a system acceptable AC2-V3 submission is not received and processed by the filing deadline (April 30 of the year following the production year to which it relates) a penalty will be assessed. For information regarding the AC2-V3 submission, please refer to [Chapter VI, Section 3](#), of the Alberta Natural Gas Royalty Guidelines, July 2006. Please contact The Petroleum Registry of Alberta, Service Desk, regarding access to or utilization of the registry at 1-800-992-1144.

**Submission of Production Year 2008 Allowable Cost (AC) and Corporate Average Price Calculation (VA) Submissions**

Royalty clients are advised that Allowable Cost submissions (AC1, AC2, AC3, AC4 and AC5) and Corporate Average Price calculation submissions (VA2 and VA3) for the 2008 production year are due on the following dates:

<i>Form Type</i>	<i>Due Date</i>	<i>Penalty</i>
AC1	March 02, 2009	-
AC4	March 31, 2009	\$200/Form/Year until received
VA2	April 15, 2009	\$1,000/One time only
VA3	April 15, 2009	\$1,000/One time only
AC2	April 30, 2009	\$100/Form/Month until received
AC3	May 15, 2009	-
AC5	May 15, 2009	\$100/Form/Month assessed when form is received

Please note that all allowable cost submissions (initial and amended filings for current and prior production years) by FCC operators are required to be completed on the Registry. Although use of the Registry to submit AC3 and AC5 data is mandatory for operators, it remains voluntary for non-operators. However, non-operators are strongly encouraged to use the Registry to submit and retrieve their AC3 and AC5 data. The business rules and submission method for VA2 and VA3 submissions remain the same with notification from the department informing clients that their submissions have been processed. Annual allowable cost submissions are processed nightly except during an invoice run cycle. New facility cost centre set-ups are processed within four hours of receipt if received in the morning with an overnight turnaround if received in the afternoon. Processing of new facility cost centre set-ups continue during an invoice run cycle. The Corporate Average Price submissions are processed as they are received.

The department encourages timely submissions to allow sufficient turnaround time for corrections. Non-operators are particularly encouraged to file their Corporate Average Price submissions timely by mail or direct delivery to the Calgary Information Centre. The font size on faxed forms must be 10 pt or greater and must not be bold. Penalties will apply where valid system acceptable submissions are not received by the filing deadline. Barring the department’s responsibility, inability to submit annual cost submissions on the Registry and/or illegible script will not reverse a penalty once imposed.

Should you have any questions or require clarification regarding these matters, please contact Will Wong at 780-415-0755 or e-mail [Will.Wong@gov.ab.ca](mailto:Will.Wong@gov.ab.ca).

### **2008 AC4 Filing - Allowable Operating Costs**

The operator of a Facility Cost Centre (FCC) that is tied to a designated facility, or is a processing type FCC tied to a non-designated facility that is a sweet or sour gas plant, is required to report annual operating costs on the AC4 submission to the department, describing the allowable operating costs of the FCC for each year. Should an AC4 not be submitted, no operating costs for the FCC will be applied in the calculation of the Unit Operating Cost Rates (UOCR) for the following year.

The due date for the 2008 AC4-V2 is **March 31, 2009**. FCC operators are encouraged to submit their AC4-V2 submissions prior to the due date to allow for correction turnaround should rejections occur. Penalties will apply where valid system acceptable submissions are not received by the filing deadline. The 2008 AC4 reminder notices will be sent to operators, via the Registry, identifying those FCCs for which an AC4-V2 is required. AC4 reminder notices will be loaded on the Registry on the following dates:

- March 31, 2009
- April 3, 2009

AC4 turnaround documents will not be produced as all corresponding data will be available on the Registry following processing of the data transfer files from the Mineral Revenue Information System (MRIS). AC4 rejection notices are also delivered to operators via the Registry.

Commencing the first week in March, a listing of outstanding AC4 forms will be published on the Natural Gas website's Royalty Related Information page under [Royalty and Related Information Review](#). Please scroll to the updates near the bottom of the page and select **Outstanding AC4s for 2008** to open the most recent listing. Updates should be monitored closely in order to resubmit rejected submissions on or before March 31, 2009.

If you have any questions, please contact your respective Gas Royalty Client Services portfolio representative as identified in [Section F](#) of this bulletin or contact Will Wong at 780-415-0755 or e-mail [Will.Wong@gov.ab.ca](mailto:Will.Wong@gov.ab.ca).

### **Custom Processing Allowance Fees Paid – Expected AC5 and Energy Adjusted Gas Equivalent Volume (EAGEV) Reports on the Registry**

Royalty clients that have incurred and paid for compressing, gathering and/or processing gas and gas products on a fee-for service basis, in Alberta, are required to submit an AC5-V3 to the department by May 15 of the year following the production year to which it relates. This includes custom processing fees associated with freehold, purchased, and out-of-province volumes. The Expected AC5 Report provides a complete list of the Energy Resources Conservation Board (ERCB) facilities and related Facility Cost Centers (FCCs) where the operator has allocated custom user volumes to the royalty client in Part 5 (Custom Processing Adjustment Factor) of a Capital Cost Allowance AC2-V3 submission.

This report is generated to aid royalty clients in identifying the ERCB facilities and FCCs that **require** the royalty client to file an AC5-V3. The information in the report identifies the department's records as of the file preparation date and does not reflect submissions subsequently received and/or processed.

The Expected AC5 Report is grouped by ERCB Facility and related FCC. The report displays the following:

- FCC ID, FCC Name & FCC Type
- Operator ID and Name allocating custom user volumes
- Allocated Custom Processing (CP) volumes in  $10^3\text{m}^3$

In addition, as of the report generation date, there are “Y” (yes) and “N” (no) indicators for the previous and current production years that identify whether the:

- department has received a valid AC5-V3 submission for the royalty client and
- whether the ERCB facility has been reported on the AC5-V3 submission.

The EAGEV report is generated for all royalty clients and identifies volumetric allocations for volumes produced (SAF/OAF and RMF2) at ERCB facilities. This report should be used in conjunction with an Expected AC5 Report as a royalty client cannot file an AC5-V3 submission unless volumes have been reported at ERCB facilities identified on the EAGEV report. In addition, if a royalty client has custom user volumes which do not appear on the Expected AC5 Report, this indicates that the operator has not identified the client on the AC2-V3 submission. This inconsistency may indicate filing discrepancies that require an amendment by the facility operator.

If a system acceptable AC5-V3 submission is not received and processed by its filing deadline (May 15 of the year following the production year to which it relates) it is subject to penalty charges upon receipt. Please note that the absence of a company name or an FCC from these reports will not be an acceptable reason for a waiver of penalty. For information regarding the AC5-V3 submission, please refer to [Chapter VI, Section 6](#) of the Alberta Natural Gas Royalty Guidelines, July 2006.

Both the Expected Custom Processing Fees Paid (AC5) report and the EAGEV report are available in PDF, TXT and CSV formats. Effective Friday, February 6, 2009 and each Friday thereafter to Friday, May 29, 2009, with the exception of Fridays that are scheduled during invoice processing, the Expected Custom Processing (AC5) report and the EAGEV report are delivered on the Registry for retrieval. Operators of FCCs must utilize the Registry to retrieve these reports. The delivery of the EAGEV report on these specific dates is intended for the convenience of the client only, and is not intended to replace the normal delivery and/or availability of the report that is scheduled monthly. Non-FCC operators and other royalty clients that currently submit and receive hard documents will continue to receive the Expected AC5 report accompanied with an EAGEV report, by mail, on the same delivery schedules prescribed above.

In addition, both reports may be requested on demand, on a client basis, by contacting your respective Gas Royalty Client Services portfolio representative as identified in [Section F](#) of this bulletin or Will Wong at 780-415-0755 or email [Will.Wong@gov.ab.ca](mailto:Will.Wong@gov.ab.ca).

Electronic filers are required to submit their Allowable Cost forms via the Registry. Contact the Petroleum Registry of Alberta Service Desk regarding access to or utilization of the Registry. To contact the Petroleum Registry of Alberta Service Desk call: 1-800-992-1144.

Please be reminded that the deadline for filing an AC5-V3, for the production year 2008, is **May 15, 2009**.

## **F. POINTS OF CONTACT**

### **Petroleum Registry of Alberta**

The Petroleum Registry of Alberta Service Desk is the focal point for communications with the Registry regarding preparations for, access to, or utilization of the Registry. To contact the Petroleum Registry of Alberta Service Desk call: 1-800-992-1144.

### **Alberta Energy Internet**

Prices, Royalty Rates, and Transportation Information are available on the Alberta Energy Internet address: [www.energy.alberta.ca](http://www.energy.alberta.ca), from “Our Business”, navigate to “Natural Gas”, “About Natural Gas”, “Prices”, “Alberta Natural Gas Reference Price (ARP)”.

In addition, both the Gas Royalty Calculation Information Bulletins and Information Letters are also available under “Our Business”, navigate to “Natural Gas”, “Legislation, Guidelines & Policies”.

### **Gas Royalty Client Services**

Gas Royalty Client Services is structured as a Business Associate client portfolio system, which assigns a given Business Associate to one of four Client Service teams. Listed below is the portfolio breakdown along with Client Service Team Leads and phone numbers. The portfolios are divided by company name and not by BA ID.

Example: If your company name is the “Gas Company” you would call C – G team at 780-644-1202.

<b>Business Associate</b>	<b>Phone Number and E-mail Address</b>	<b>Team Lead</b>
<b>Numbered companies, A, B &amp; L</b>	780-644-1201 <a href="mailto:GRCST1@gov.ab.ca">GRCST1@gov.ab.ca</a>	Todd Atwood
<b>C – G</b>	780-644-1202 <a href="mailto:GRCST2@gov.ab.ca">GRCST2@gov.ab.ca</a>	Lily Hiew
<b>H – P (excluding L)</b>	780-644-1203 <a href="mailto:GRCST3@gov.ab.ca">GRCST3@gov.ab.ca</a>	Chris Nixon
<b>Q - Z</b>	780-644-1204 <a href="mailto:GRCST4@gov.ab.ca">GRCST4@gov.ab.ca</a>	Jyoti Bhambhani

Gas Royalty Reception: 780-422-8727  
 Fax: 780-427-3334 or 780-422-8732  
 Alberta Toll Free: 780-310-0000

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.



In situations where a company has just amalgamated or purchased another company, the general rule is to call the team that is responsible for the “Supra” business associate, or Royalty payer.

Below are some guidelines for clients who are unsure which Client Services Team to call regarding their questions.

1. **Amalgamation/consolidation** - Call the team responsible for the “Supra” business associate (Royalty Payer).  
i.e. ABC Oil and Gas amalgamates with Zed Exploration and Zed is the amalgamator (royalty payer). When calling Client Services regarding business for ABC Oil and Gas, you would call Team 4 (Q-Z) (780-644-1204) because Zed Exploration is now the Supra business associate and royalty payer. This rule would apply even if you were calling regarding business that is prior to the acquisition or amalgamation.
2. **Asset Purchase** - Call the team responsible for your company.  
i.e. 123 Gas purchases the assets of TSP Exploration, but not the company. When calling Client Services regarding business for 123 Gas, you would call Team 1 (# Co., A, B, & L) (780-644-1201) because you have only purchased assets.
3. **Consultants/service providers** - If you have a contract to provide production accounting services to a company, call the team responsible for your client’s company.  
i.e. Paul Snow Consulting Services enters into a contract with Duckback Oil and Gas and Olive Oil and Gas. Paul Snow would contact Team 2 (C-G) (780-644-1202) to discuss Duckback Oil business and Team 3 (H-P excluding L) (780-644-1203) to discuss Olive Oil and Gas business. At the time the contract is signed, Paul Snow would have had each company notify the appropriate team that he was authorized to access information for their company.

**Reference Prices and Valuation Allowances Calculation Information**

Gas Royalty Valuation and Markets  
300, 801 – 6 Avenue SW  
Calgary, Alberta T2P 3W2  
Telephone: 403-297-5514  
Fax: 403-297-5400



Deen Khan, Director  
Gas Royalty Calculation  
Royalty Operations – Edmonton

Attachments

**2009 GAS AND ISC PRICES**

MONTH	Gas Reference 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	5.77	5.74	5.74	6.15	6.27	6.29	6.31
FEB							
MAR							
APR							
MAY							
JUN							
JUL							
AUG							
SEPT							
OCT							
NOV							
DEC							

<b>2008 Weighted Average Gas Reference Price (\$/GJ)</b>
7.412

<b>2008 Weighted Average OMAC (\$/GJ)</b>
0.019

DETAIL OF THE JANUARY 2009 GAS AND ISC REFERENCE PRICES						
	Gas	Methane	C2-IC	C3-IC	C4-IC	C5-IC
Weighted Average Price of Alberta	6.142	6.126	6.409	6.484	6.476	6.465
Deductions: Intra – Alberta Transportation	0.298	0.317	0.181	0.127	0.098	0.074
Marketing Allowance	<u>0.011</u>	<u>0.011</u>	<u>0.011</u>	<u>0.011</u>	<u>0.011</u>	<u>0.011</u>
Price Before Pipeline Factor	5.833	5.798	6.217	6.346	6.367	6.380
Pipeline Fuel/Loss Factor	0.989	0.989	0.989	0.989	0.989	0.989
Price before Special Adjustment	5.768	5.734	6.148	6.275	6.296	6.310
Special Adjustment	0.000	0.000	0.000	0.000	0.000	0.000
Price before 2% amendment limitation or rounding	5.768	5.734	6.148	6.275	6.296	6.310
Amendments: Carry forward (from previous RP month)	-0.004	0.001	0.001	0.000	0.003	0.003
Prior Period Amendment Adjustment (current RP month)	0.005	0.005	-0.001	-0.005	-0.005	-0.005
Calculated RP after Amendments	5.769	5.740	6.148	6.270	6.294	6.308
<b>January 2009 Reference Price</b>	<b>5.77</b>	<b>5.74</b>	<b>6.15</b>	<b>6.27</b>	<b>6.29</b>	<b>6.31</b>
Difference = value carried forward to next RP month	-0.001	0.000	-0.002	0.000	0.004	-0.002
Adjusted IATD (before Prior Period Amendments)	n/a	0.313	0.179	0.126	0.097	0.073
Prior period Amendments (IATD and Pipeline Fuel Loss)	n/a	0.000	0.000	0.000	0.000	0.000
Adjusted IATD (after Prior Period Amendments)	n/a	0.313	0.179	0.126	0.097	0.073

2009

**NATURAL GAS LIQUIDS PRICES**

MONTH	Ethane Reference Price (\$/GJ)	Ethane Par Price (\$/GJ)	Propane Reference Price (\$/m3)	Propane Floor Price (\$/m3)	Butane Reference Price (\$/m3)	Butane Floor Price (\$/m3)	Pentanes plus Reference Price (\$/m3)	Pentanes plus Par Price (\$/m3)	Sulphur Default Price (\$ per tonne)
JAN	6.15	6.15	230.29	209.33	310.61	206.67	348.86	325.57	21.41
FEB									
MAR									
APR									
MAY									
JUN									
JUL									
AUG									
SEPT									
OCT									
NOV									
DEC									

**ANNUAL SULPHUR DEFAULT PRICE**

2003	2004	2005	2006	2007
31.24	31.88	33.98	18.82	32.82



2009

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	27.97	10.55	36.88	18.00	39.25	25.79	33.99	-3.31	40.23	45.50	43.56	29.53	17.25
FEB													
MAR													
APR													
MAY													
JUN													
JUL													
AUG													
SEPT													
OCT													
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.

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

PRIOR PERIOD AMENDMENT EFFECTS												
NGL REFERENCE PRICES	January 2009											
	<i>Propane</i>			<i>Butanes</i>			<i>Pentanes</i>					
Price before amendments	230.284286			310.610260			348.861065					
Opening Rollover (from prior business mth)	0.001952			-0.003677			-0.000040					
Prior Period Amendment Adj. (NGL-100)	0.000000			0.000000			0.000000					
<b>Published Reference Price</b>	<b>230.29</b>			<b>310.61</b>			<b>348.86</b>					
TRANSPORTATION ALLOWANCES	January 2009											
	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)	-0.003836	-0.003761	0.001015	0.001755	-0.000519	0.002849	-0.002228	-0.000766	-0.003968	-0.002465	-0.001725	-0.000512
Prior Period Amendment Adj. (NGL-100)	0.000000	0.000000	0.000000	0.000000	0.000000	1.938860	0.378086	0.000000	0.000000	0.000000	0.000000	0.000000
Total Amendment Effect	-0.003836	-0.003761	0.001015	0.001755	-0.000519	1.941709	0.375858	-0.000766	-0.003968	-0.002465	-0.001725	-0.000512
Calculated Transp. Differential	27.976261	10.556204	36.875819	18.002535	39.251694	23.852815	33.617696	-3.308055	40.230397	45.498495	43.562073	29.534614
Calculated Transp. Differential after Total Amendments	27.972425	10.552443	36.876834	18.004290	39.251175	25.794524	33.993554	-3.308821	40.226429	45.496030	43.560348	29.534102
<b>Published Transportation Allowance</b>	<b>27.97</b>	<b>10.55</b>	<b>36.88</b>	<b>18.00</b>	<b>39.25</b>	<b>25.79</b>	<b>33.99</b>	<b>-3.31</b>	<b>40.23</b>	<b>45.50</b>	<b>43.56</b>	<b>29.53</b>

Effective the January 2009 production period, the royalty rates for **methane** and **ethane** will be calculated based on a new royalty formula. The new royalty formula consists of the sum of a price component and a quantity component. The new royalty rates will range from 5% to 50%. **Propane** and **butanes** will have fixed royalty rates of 30%, whereas **pentanes plus** will have a fixed royalty rate of 40%.

The price component of the new royalty formula royalty rate for methane and ethane is determined by the monthly methane or ethane par price (PP)

Price (\$/GJ)	$r_p$
$PP \leq 7.00$	$(PP - 4.50) * 0.0450$
$7.00 < PP \leq 11.00$	$(PP - 7.00) * 0.0300 + 0.1125$
$PP > 11.00$	$(PP - 11.00) * 0.0100 + 0.2325$
Maximum	30%
Minimum	Can be negative (-20.25% if PP=0)

The par price is a provincial weighted price determined by the department and published in the Information Letter for each production month. Determination of the par price has not changed under the Alberta Royalty Framework.

The quantity component of the new royalty formula royalty rate for methane and ethane is based on the average daily production (ADP) of the well event. The quantity component is adjusted for either the depth of the well event and/or the acid gas content of the well event.

Quantity ( $10^3 m^3/d$ )	$r_q$
$ADP \leq (6 * DF)$	$[ADP - (4 * DF)] * (0.0500/DF)$
$(6 * DF) < ADP \leq (11 * DF)$	$[ADP - (6 * DF)] * (0.0300/DF) + 0.1000$
$ADP > (11 * DF)$	$[ADP - (11 * DF)] * (0.0100/DF) + 0.2500$
Maximum	30%
Minimum	Can be negative

The ADP for a well event is the total raw gas production in thousand cubic metres ( $10^3 m^3$ ) for the month divided by the total hours of production in that month multiplied by 24. The ADP formula is as follows:

$$ADP = \frac{\text{total raw gas production}}{\text{total hours of production}} \times 24$$

Acid Gas Factor (AGF) is a factor that adjusts the ADP of a well event if that well event is producing high amounts of acid gas, that is, if the combined concentration of hydrogen sulphide (H<sub>2</sub>S) and carbon dioxide (CO<sub>2</sub>) is greater than 3% and less than or equal to 25%. If a well event has an acid gas content of less than or equal to 3%, then the AGF of the well event will default to 1.00. If a well event has acid gas content greater than 25% then the AGF has a minimum value of 0.78.

The AGF is determined based on the following formula:

$$AGF = [1.03 - (H_2S\% + CO_2\%)]$$

The ADP is adjusted by multiplying the ADP by the AGF, that is:

$$\text{Adjusted ADP} = ADP * AGF$$

The acid gas content of a well event, used by the department for the determination of the AGF, will be according to the records of the ERCB.

A depth factor (DF) is required for all well events, and is calculated based on the measured depth (MD) according to the records of the ERCB for that well event. Information on the MD, of a well event, can be found on the Petroleum Registry of Alberta (PRA) in the 'Infrastructure' section.

The DF is used in the determination of the quantity component ( $r_q$ ) of the royalty rate; it adjusts the quantity component royalty formula for measured depths that exceed 2000 metres. The DF for a well event is determined based on the following formula:

$$DF = \left( \frac{MD}{2000} \right)^2$$

A well event with a MD greater than 2,000 metres will receive a royalty adjustment based on production from the well event. A well event without a reported MD or with MD less than or equal to 2,000 metres will have a DF of 1.00. The DF is capped at 4.00 for well events with MD greater than or equal to 4,000 metres.

**If the MD is**  $\left\{ \begin{array}{l} \leq 2,000 \text{ metres, then the DF}=1.00 \\ >2,000 \text{ metres and } <4,000 \text{ metres, then DF}=\left( \frac{MD}{2000} \right)^2 \\ \geq 4,000 \text{ metres, then the DF}=4.00 \end{array} \right.$

**2008**

	<b>Gas Reference Price: \$/GJ</b>
January	6.19
February	6.72
March	7.52
April	8.11
May	8.92
June	9.81
July	9.84
August	7.35
September	6.28
October	6.27
November	6.25
December	6.36

**2008****Weighted Average OMAC -Type Charges: \$0.019/GJ****Weighted Average Gas Reference Price: \$7.412/GJ****2007**

	<b>Gas Reference Price: \$/GJ</b>
January	6.27
February	6.82
March	6.92
April	6.74
May	6.61
June	6.21
July	5.43
August	4.81
September	4.42
October	4.96
November	5.54
December	5.85

**2007****Weighted Average OMAC -Type Charges: \$0.019/GJ****Weighted Average Gas Reference Price: \$5.892/GJ**

**2006**

	<b>Gas Reference Price: \$/GJ</b>
January	9.52
February	7.38
March	6.47
April	6.18
May	5.71
June	5.29
July	5.22
August	5.84
September	5.12
October	4.40
November	6.51
December	7.05

**2006****Weighted Average OMAC -Type Charges: \$0.020/GJ****Weighted Average Gas Reference Price: \$6.260/GJ****2005**

	<b>Gas Reference Price: \$/GJ</b>
January	6.02
February	5.94
March	6.30
April	6.79
May	6.51
June	6.34
July	6.87
August	7.45
September	9.46
October	11.38
November	10.81
December	10.54

**2005****Weighted Average OMAC -Type Charges: \$0.023/GJ****Weighted Average Gas Reference Price: \$7.935/GJ**

**2008**

	Ethane Reference	Ethane Par	Crown Royalty Rate	
	Price: \$/GJ	Price: \$/GJ	Old Ethane	New Ethane
January	6.61	6.61	35.00000	30.00000
February	7.20	7.20	35.00000	30.00000
March	8.09	8.09	35.00000	30.00000
April	8.64	8.64	35.00000	30.00000
May	9.43	9.43	35.00000	30.00000
June	10.36	10.36	35.00000	30.00000
July	10.05	10.05	35.00000	30.00000
August	7.72	7.72	35.00000	30.00000
September	6.47	6.47	35.00000	30.00000
October	6.54	6.54	35.00000	30.00000
November	6.69	6.69	35.00000	30.00000
December	6.69	6.69	35.00000	30.00000

**2008**

**Old Ethane Select Price: \$0.441/GJ**

**New Ethane Select Price:\$1.496/GJ**

**Weighted Average OMAC -Type Charges: \$0.019/GJ**

**Weighted Average Gas Reference Price: \$7.412/GJ**

**2007**

	Ethane Reference	Ethane Par	Crown Royalty Rate	
	Price: \$/GJ	Price: \$/GJ	Old Ethane	New Ethane
January	6.61	6.61	35.00000	30.00000
February	7.14	7.14	35.00000	30.00000
March	7.17	7.17	35.00000	30.00000
April	7.07	7.07	35.00000	30.00000
May	6.94	6.94	35.00000	30.00000
June	6.37	6.37	35.00000	30.00000
July	5.65	5.65	35.00000	30.00000
August	5.04	5.04	35.00000	30.00000
September	4.78	4.78	35.00000	30.00000
October	5.39	5.39	35.00000	30.00000
November	5.89	5.89	35.00000	30.00000
December	6.30	6.30	35.00000	30.00000

**2007**

**Old Ethane Select Price: \$0.427/GJ**

**New Ethane Select Price:\$1.450/GJ**

**Weighted Average OMAC -Type Charges: \$0.019/GJ**

**Weighted Average Gas Reference Price: \$5.892/GJ**

**2006**

	Ethane Reference	Ethane Par	Crown Royalty Rate	
	<u>Price: \$/GJ</u>	<u>Price: \$/GJ</u>	<u>Old Ethane</u>	<u>New Ethane</u>
January	9.33	9.33	35.00000	30.00000
February	7.58	7.58	35.00000	30.00000
March	6.67	6.67	35.00000	30.00000
April	6.31	6.31	35.00000	30.00000
May	5.77	5.77	35.00000	30.00000
June	5.57	5.57	35.00000	30.00000
July	5.48	5.48	35.00000	30.00000
August	6.06	6.06	35.00000	30.00000
September	5.14	5.14	35.00000	30.00000
October	4.82	4.82	35.00000	30.00000
November	6.86	6.86	35.00000	30.00000
December	7.17	7.17	35.00000	30.00000

**2006**

**Old Ethane Select Price: \$0.418/GJ**

**New Ethane Select Price:\$1.419/GJ**

**Weighted Average OMAC -Type Charges: \$0.020/GJ**

**Weighted Average Gas Reference Price: \$6.260/GJ**

**2005**

	Ethane Reference	Ethane Par	Crown Royalty Rate	
	<u>Price: \$/GJ</u>	<u>Price: \$/GJ</u>	<u>Old Ethane</u>	<u>New Ethane</u>
January	6.22	6.22	35.00000	30.00000
February	6.22	6.22	35.00000	30.00000
March	6.74	6.74	35.00000	30.00000
April	7.10	7.10	35.00000	30.00000
May	6.82	6.82	35.00000	30.00000
June	6.73	6.73	35.00000	30.00000
July	7.19	7.19	35.00000	30.00000
August	8.10	8.10	35.00000	30.00000
September	10.16	10.16	35.00000	30.00000
October	11.78	11.78	35.00000	30.00000
November	10.53	10.53	35.00000	30.00000
December	11.01	11.01	35.00000	30.00000

**2005**

**Old Ethane Select Price: \$0.405/GJ**

**New Ethane Select Price:\$1.376/GJ**

**Weighted Average OMAC -Type Charges: \$0.023/GJ**

**Weighted Average Gas Reference Price: \$7.935/GJ**



**2008**

	<b>Methane</b>	<b>Methane</b>	<b>Crown Royalty Rate</b>	
	<b>Reference</b>	<b>Par</b>	<b>Old Methane</b>	<b>New Methane</b>
	<b>Price: \$/GJ</b>	<b>Price: \$/GJ</b>		
January	6.13	6.13	35.00000	30.00000
February	6.66	6.66	35.00000	30.00000
March	7.45	7.45	35.00000	30.00000
April	8.05	8.05	35.00000	30.00000
May	8.86	8.86	35.00000	30.00000
June	9.75	9.75	35.00000	30.00000
July	9.82	9.82	35.00000	30.00000
August	7.31	7.31	35.00000	30.00000
September	6.26	6.26	35.00000	30.00000
October	6.24	6.24	35.00000	30.00000
November	6.21	6.21	35.00000	30.00000
December	6.32	6.32	35.00000	30.00000

**New Methane Select Price: \$1.496/GJ**

**2007**

	<b>Methane</b>	<b>Methane</b>	<b>Crown Royalty Rate</b>	
	<b>Reference</b>	<b>Par</b>	<b>Old Methane</b>	<b>New Methane</b>
	<b>Price: \$/GJ</b>	<b>Price: \$/GJ</b>		
January	6.22	6.22	35.00000	30.00000
February	6.78	6.78	35.00000	30.00000
March	6.88	6.88	35.00000	30.00000
April	6.70	6.70	35.00000	30.00000
May	6.56	6.56	35.00000	30.00000
June	6.19	6.19	35.00000	30.00000
July	5.40	5.40	35.00000	30.00000
August	4.78	4.78	35.00000	30.00000
September	4.38	4.38	35.00000	30.00000
October	4.90	4.90	35.00000	30.00000
November	5.50	5.50	35.00000	30.00000
December	5.79	5.79	35.00000	30.00000

**2007**

**Old Methane Select Price: \$0.427/GJ**

**New Methane Select Price: \$1.450/GJ**

**2006**

	<b>Methane</b>	<b>Methane</b>	<b>Crown Royalty Rate</b>	
	<b>Reference</b>	<b>Par</b>	<b>Old Methane</b>	<b>New Methane</b>
	<b><u>Price: \$/GJ</u></b>	<b><u>Price: \$/GJ</u></b>	<b><u>Old Methane</u></b>	<b><u>New Methane</u></b>
January	9.56	9.56	35.00000	30.00000
February	7.36	7.36	35.00000	30.00000
March	6.46	6.46	35.00000	30.00000
April	6.17	6.17	35.00000	30.00000
May	5.70	5.70	35.00000	30.00000
June	5.26	5.26	35.00000	30.00000
July	5.19	5.19	35.00000	30.00000
August	5.81	5.81	35.00000	30.00000
September	5.12	5.12	35.00000	30.00000
October	4.33	4.33	35.00000	30.00000
November	6.46	6.46	35.00000	30.00000
December	7.03	7.03	35.00000	30.00000

**2006**

**Old Methane Select Price: \$0.418/GJ**

**New Methane Select Price: \$1.419/GJ**

**2005**

	<b>Methane</b>	<b>Methane</b>	<b>Crown Royalty Rate</b>	
	<b>Reference</b>	<b>Par</b>	<b>Old Methane</b>	<b>New Methane</b>
	<b><u>Price: \$/GJ</u></b>	<b><u>Price: \$/GJ</u></b>	<b><u>Old Methane</u></b>	<b><u>New Methane</u></b>
January	5.99	5.99	35.00000	30.00000
February	5.91	5.91	35.00000	30.00000
March	6.24	6.24	35.00000	30.00000
April	6.75	6.75	35.00000	30.00000
May	6.49	6.49	35.00000	30.00000
June	6.29	6.29	35.00000	30.00000
July	6.82	6.82	35.00000	30.00000
August	7.36	7.36	35.00000	30.00000
September	9.38	9.38	35.00000	30.00000
October	11.36	11.36	35.00000	30.00000
November	10.85	10.85	35.00000	30.00000
December	10.47	10.47	35.00000	30.00000

**2005**

**Old Methane Select Price: \$0.405/GJ**

**2008**

	<b>Pentanes Plus</b>	<b>Pentanes Plus</b>	<b><u>Crown Royalty Rate</u></b>	
	<b>Reference</b>	<b>Par</b>	<b><u>Old Pentanes</u></b>	<b><u>New Pentanes</u></b>
	<b><u>Price: \$/M3</u></b>	<b><u>Price: \$/M3</u></b>		
January	631.90	615.30	47.56587	33.86987
February	642.42	621.84	47.59147	33.88175
March	722.53	700.18	47.86095	34.00687
April	803.40	785.56	48.09344	34.11481
May	852.62	836.89	48.21037	34.16910
June	904.18	884.40	48.30651	34.21374
July	891.11	853.74	48.24570	34.18550
August	803.56	777.97	48.07484	34.10617
September	726.70	687.17	47.82045	33.98807
October	570.63	547.66	47.26524	33.73029
November	412.32	411.55	46.36078	33.31036
December	327.85	317.71	45.28589	32.81131

**2008 Pentanes Plus Select Price: \$53.49/M3**

**2007**

	<b>Pentanes Plus</b>	<b>Pentanes Plus</b>	<b><u>Crown Royalty Rate</u></b>	
	<b>Reference</b>	<b>Par</b>	<b><u>Old Pentanes</u></b>	<b><u>New Pentanes</u></b>
	<b><u>Price: \$/M3</u></b>	<b><u>Price: \$/M3</u></b>		
January	430.65	411.32	46.47107	33.36157
February	452.58	448.57	46.76412	33.49763
March	456.95	451.65	46.78618	33.50787
April	487.95	458.50	46.83420	33.53016
May	477.15	452.30	46.79080	33.51002
June	464.31	465.23	46.87999	33.55143
July	549.79	539.28	47.30841	33.75033
August	525.63	502.16	47.10945	33.65796
September	549.61	538.78	47.30591	33.74917
October	555.68	540.86	47.31627	33.75398
November	592.99	577.74	47.48759	33.83352
December	619.02	616.50	47.64555	33.90686

**2007 Pentanes Plus Select Price: \$51.84/M3**

**2006**

	<b>Pentanes Plus</b>	<b>Pentanes Plus</b>	<b><u>Crown Royalty Rate</u></b>	
	<b>Reference</b>	<b>Par</b>	<b><u>Old Pentanes</u></b>	<b><u>New Pentanes</u></b>
	<b><u>Price: \$/M3</u></b>	<b><u>Price: \$/M3</u></b>		
January	484.39	477.02	47.02226	33.61748
February	468.40	441.89	46.78553	33.50757
March	468.85	457.27	46.89365	33.55777
April	545.33	524.82	47.29347	33.74340
May	529.03	507.26	47.19978	33.69990
June	557.91	516.67	47.25078	33.72358
July	564.17	538.62	47.36282	33.77559
August	530.10	511.93	47.22532	33.71176
September	443.64	429.71	46.69442	33.46527
October	431.87	410.21	46.53729	33.39231
November	399.49	397.29	46.42468	33.34003
December	478.01	453.50	46.86783	33.54578

**2006 Pentanes Plus Select Price: \$50.73/M3**

**2005**

	<b>Pentanes Plus</b>	<b>Pentanes Plus</b>	<b><u>Crown Royalty Rate</u></b>	
	<b>Reference</b>	<b>Par</b>	<b><u>Old Pentanes</u></b>	<b><u>New Pentanes</u></b>
	<b><u>Price: \$/M3</u></b>	<b><u>Price: \$/M3</u></b>		
January	420.54	392.96	46.49501	33.37268
February	466.37	434.07	46.82696	33.52680
March	466.81	449.92	46.93874	33.57870
April	458.62	435.93	46.84050	33.53309
May	419.68	399.43	46.55179	33.39904
June	450.01	436.18	46.84231	33.53393
July	467.36	447.74	46.92384	33.57178
August	534.52	512.86	47.31443	33.75313
September	535.02	500.47	47.24795	33.72226
October	480.27	472.62	47.08578	33.64697
November	478.50	456.87	46.98531	33.60032
December	462.16	447.43	46.92171	33.57079

**2005 Pentanes Plus Select Price: \$49.19/M3**

**2008**

	<b>Propane Reference <u>Price: \$/M3</u></b>	<b>Propane Floor <u>Price: \$/M3</u></b>	<b>Crown Royalty <u>Rate</u></b>
January	379.50	324.38	30.00000
February	372.15	326.74	30.00000
March	366.78	336.54	30.00000
April	391.64	359.16	30.00000
May	417.08	383.50	30.00000
June	431.45	404.71	30.00000
July	440.23	410.70	30.00000
August	395.10	383.85	30.00000
September	388.49	367.84	30.00000
October	295.14	282.02	30.00000
November	226.90	221.36	30.00000
December	201.43	184.67	30.00000

**2007**

	<b>Propane Reference <u>Price: \$/M3</u></b>	<b>Propane Floor <u>Price: \$/M3</u></b>	<b>Crown Royalty <u>Rate</u></b>
January	275.42	210.69	30.00000
February	286.81	236.16	30.00000
March	290.24	246.22	30.00000
April	298.40	265.81	30.00000
May	300.05	269.46	30.00000
June	290.16	264.03	30.00000
July	298.16	271.65	30.00000
August	302.24	274.83	30.00000
September	323.39	289.55	30.00000
October	343.84	302.39	30.00000
November	372.80	328.66	30.00000
December	379.52	330.55	30.00000

**2006**

	<b>Propane Reference <u>Price: \$/M3</u></b>	<b>Propane Floor <u>Price: \$/M3</u></b>	<b>Crown Royalty <u>Rate</u></b>
January	289.22	240.07	30.00000
February	248.16	213.28	30.00000
March	254.40	213.86	30.00000
April	286.26	248.88	30.00000
May	279.81	247.11	30.00000
June	287.72	258.60	30.00000
July	313.36	281.70	30.00000
August	305.03	275.34	30.00000
September	269.07	240.91	30.00000
October	263.50	228.69	30.00000
November	267.41	232.98	30.00000
December	267.75	228.13	30.00000

**2005**

	<b>Propane Reference <u>Price: \$/M3</u></b>	<b>Propane Floor <u>Price: \$/M3</u></b>	<b>Crown Royalty <u>Rate</u></b>
January	213.42	182.74	30.00000
February	212.28	181.37	30.00000
March	252.62	211.93	30.00000
April	247.29	222.85	30.00000
May	242.50	218.28	30.00000
June	269.28	227.24	30.00000
July	260.68	234.97	30.00000
August	269.38	248.21	30.00000
September	337.00	288.79	30.00000
October	332.72	296.99	30.00000
November	302.47	259.62	30.00000
December	325.26	265.35	30.00000

**2008**

	<b>Butane Reference <u>Price: \$/M3</u></b>	<b>Butane Floor <u>Price: \$/M3</u></b>	<b>Crown Royalty <u>Rate</u></b>
January	533.35	402.11	30.00000
February	510.61	361.31	30.00000
March	536.12	370.17	30.00000
April	570.73	402.66	30.00000
May	600.75	446.12	30.00000
June	637.23	475.15	30.00000
July	643.13	455.54	30.00000
August	635.03	436.09	30.00000
September	547.47	365.29	30.00000
October	502.35	276.16	30.00000
November	332.63	192.71	30.00000
December	262.88	142.61	30.00000

**2007**

	<b>Butane Reference <u>Price: \$/M3</u></b>	<b>Butane Floor <u>Price: \$/M3</u></b>	<b>Crown Royalty <u>Rate</u></b>
January	308.33	252.50	30.00000
February	306.63	266.25	30.00000
March	316.86	281.98	30.00000
April	361.88	315.93	30.00000
May	375.34	335.19	30.00000
June	352.06	304.35	30.00000
July	344.18	303.07	30.00000
August	359.69	306.23	30.00000
September	391.12	341.59	30.00000
October	401.68	346.37	30.00000
November	476.88	378.38	30.00000
December	489.83	408.85	30.00000

**2006**

	<b>Butane Reference <u>Price: \$/M3</u></b>	<b>Butane Floor <u>Price: \$/M3</u></b>	<b>Crown Royalty <u>Rate</u></b>
January	394.52	329.84	30.00000
February	370.63	279.57	30.00000
March	362.89	272.66	30.00000
April	390.67	290.57	30.00000
May	376.44	283.32	30.00000
June	377.94	295.08	30.00000
July	402.10	315.61	30.00000
August	402.10	317.45	30.00000
September	366.43	268.30	30.00000
October	320.32	254.10	30.00000
November	311.40	255.81	30.00000
December	319.30	262.85	30.00000

**2005**

	<b>Butane Reference <u>Price: \$/M3</u></b>	<b>Butane Floor <u>Price: \$/M3</u></b>	<b>Crown Royalty <u>Rate</u></b>
January	286.23	229.22	30.00000
February	299.63	230.67	30.00000
March	319.32	247.32	30.00000
April	285.54	266.90	30.00000
May	256.14	235.69	30.00000
June	265.16	245.76	30.00000
July	312.47	267.01	30.00000
August	326.52	290.64	30.00000
September	393.15	325.62	30.00000
October	419.89	346.15	30.00000
November	372.87	322.41	30.00000
December	383.36	343.87	30.00000



**SULPHUR DEFAULT PRICE (\$ PER TONNE)**

	2008	2007	2006	2005	2004	Crown Royalty Rate
January	189.25	11.18	27.53	30.62	26.73	16.66667
February	233.95	13.94	29.48	35.01	24.94	16.66667
March	156.12	11.18	31.39	32.65	32.65	16.66667
April	319.79	9.44	25.41	29.86	30.26	16.66667
May	441.28	19.63	24.31	36.22	37.15	16.66667
June	383.60	13.38	21.78	37.47	37.27	16.66667
July	558.76	35.65	18.77	37.13	34.15	16.66667
August	493.76	39.52	14.09	36.92	39.37	16.66667
September	456.74	39.91	16.45	34.38	28.05	16.66667
October	112.35	78.58	14.99	34.54	39.90	16.66667
November	185.59	59.14	9.05	30.19	27.73	16.66667
December	34.43	96.87	12.89	32.20	27.43	16.66667
 Annual Sulphur Default Price		32.82	18.82	33.98	31.88	

**TRANSPORTATION ALLOWANCE AND DEDUCTIONS.: \$/m3**

2008	Pentanes Plus				Propane & Butanes				Pentanes Plus,				Frac. Allow
	Region				Region				Propanes & Butanes				
	1	2	3	4	1	2	3	4	1	2	3	4	
January	17.37	-0.22	62.47	29.39	35.99	24.98	32.04	15.08	44.40	38.81	63.16	51.03	16.50
February	13.43	3.95	64.16	30.61	34.76	29.17	25.89	13.45	52.91	46.63	53.16	50.46	16.50
March	0.67	16.56	94.84	41.39	36.16	45.23	35.64	15.92	60.46	56.46	92.37	60.25	16.50
April	14.81	5.88	82.39	12.17	26.49	37.71	48.56	27.73	74.50	62.42	92.34	74.22	16.50
May	9.35	6.24	73.58	15.89	27.96	30.61	28.36	22.93	70.75	53.24	84.14	46.14	16.50
June	11.98	18.54	33.15	34.24	27.98	26.47	24.29	17.71	60.60	45.60	77.55	48.78	16.50
July	26.52	37.35	73.75	52.39	16.49	19.54	17.59	22.41	60.39	46.13	76.03	48.64	16.50
August	21.68	25.33	37.72	30.58	25.96	49.79	34.08	-5.49	90.07	65.22	102.46	47.69	16.50
September	33.41	37.98	69.77	44.20	27.55	49.42	35.03	2.36	81.54	59.38	102.92	48.88	16.50
October	14.42	27.37	31.59	29.18	101.00	99.03	99.78	13.33	114.08	93.13	125.57	89.15	16.50
November	-6.05	11.29	-19.50	12.46	49.98	43.36	47.41	6.53	70.84	53.19	98.31	49.42	16.50
December	3.96	13.95	9.77	17.46	23.92	28.95	25.46	-11.05	60.19	54.08	52.65	35.97	16.50

**TRANSPORTATION ALLOWANCE AND DEDUCTIONS.: \$/m3**

2007	Pentanes Plus				Propane & Butanes				Pentanes Plus,				Frac. Allow
	Region				Region				Propanes & Butanes				
	1	2	3	4	1	2	3	4	1	2	3	4	
January	21.10	17.07	34.15	13.26	31.36	8.32	-2.27	27.27	25.74	24.74	37.79	26.71	15.50
February	7.24	5.39	36.37	-11.68	13.17	3.82	45.20	8.58	15.33	16.84	20.02	12.43	15.50
March	10.34	5.48	20.97	-1.33	14.54	6.60	28.87	7.34	18.27	16.09	34.94	15.56	15.50
April	21.46	35.11	40.75	36.78	56.23	-14.42	16.58	10.84	22.53	25.12	37.71	27.53	15.50
May	25.70	7.78	51.49	31.44	9.86	3.96	27.95	10.35	21.25	19.89	34.76	22.59	15.50
June	-10.05	-7.64	40.12	0.41	9.66	5.81	23.65	10.01	15.03	12.66	21.09	14.64	15.50
July	32.66	-14.71	55.16	19.00	5.49	10.12	-12.78	12.51	33.57	22.98	38.91	32.35	15.50
August	26.17	4.36	53.26	29.86	8.34	9.91	27.38	5.32	27.84	28.27	43.84	26.59	15.50
September	15.38	-14.60	51.24	19.10	10.00	6.45	30.34	11.75	27.42	18.76	52.69	24.24	15.50
October	15.53	3.21	34.32	24.45	8.43	-0.56	11.25	17.01	25.39	19.56	36.40	23.92	15.50
November	15.70	8.59	35.43	18.55	23.26	11.53	7.53	20.45	36.34	41.33	55.38	36.51	15.50
December	9.62	-18.81	60.32	8.80	15.77	8.93	143.90*	18.20	35.19	28.13	57.13	37.93	15.50

**TRANSPORTATION ALLOWANCE AND DEDUCTIONS.: \$/m3**

2006	Pentanes Plus				Propane & Butanes				Pentanes Plus,				Frac. Allow
	Region				Region				Propanes & Butanes				
	1	2	3	4	1	2	3	4	1	2	3	4	
January	-0.90	13.92	10.05	18.08	18.72	-1.58	-33.18	-18.57	17.78	14.75	35.26	16.39	15.50
February	24.88	25.25	34.62	26.47	10.17	-2.24	-57.23	-19.17	18.42	13.68	31.79	18.91	15.50
March	14.23	10.00	32.47	4.43	12.33	6.56	3.05	-2.25	20.08	16.58	22.76	19.67	15.50
April	16.82	16.81	36.92	26.20	8.13	4.05	4.42	3.86	18.80	24.73	22.81	27.82	15.50
May	21.44	17.83	34.47	26.88	7.50	0.28	-5.71	1.91	17.91	17.74	17.30	23.36	15.50
June	43.47	23.21	58.72	48.53	11.04	8.25	3.62	3.89	39.43	25.73	31.26	24.21	15.50
July	25.15	20.49	48.28	19.48	14.52	5.93	12.23*	6.56	31.03	17.24	30.26	23.09	15.50
August	22.34	13.57	22.42	12.02	6.13	-0.40	-13.90	4.17	5.48	6.47	11.26	14.65	15.50
September	7.15	14.00	37.82	22.86	15.20	-0.29	11.19*	-0.03	2.90	5.70	0.43	12.06	15.50
October	17.73	32.23	44.58	8.15	18.24	1.49	17.20	8.30	16.16	15.89	28.60	14.69	15.50
November	-0.97	8.10	7.39	-2.38	20.47	-0.31	15.65*	7.12	3.83	7.19	21.79	6.17	15.50
December	27.00	13.24	27.66	35.31	13.81	-0.17	-28.93	3.29	15.24	15.19	31.23	13.02	15.50

**TRANSPORTATION ALLOWANCE AND DEDUCTIONS.: \$/m3**

2005	Pentanes Plus				Propane & Butanes				Pentanes Plus,				Frac. Allow
	Region				Region				Propanes & Butanes				
	1	2	3	4	1	2	3	4	1	2	3	4	
January	28.06	14.75	41.69	35.31	12.05	1.32	9.29*	4.47	29.23	30.73	40.55	25.96	11.50
February	28.42	21.08	34.92	50.06	13.03	3.86	10.67*	7.22	35.95	40.12	48.36	31.01	11.50
March	16.72	2.34	23.40	33.49	20.22	9.27	-13.09	10.32	14.58	27.11	38.77	22.73	11.50
April	22.18	8.43	33.66	34.13	3.94	-8.13	-18.36	-2.09	11.48	17.04	26.24	12.67	11.50
May	15.27	16.96	37.88	22.82	2.15	-7.78	-24.30	-11.43	8.47	8.08	20.93	12.16	11.50
June	8.40	13.57	15.85	25.21	15.42	7.73	-2.82	6.52	16.11	12.73	22.15	20.50	11.50
July	16.39	18.24	42.50	15.13	15.17	3.19	-27.33	-23.36	22.65	21.58	41.87	22.87	11.50
August	27.06	5.53	37.70	17.63	10.64	-3.51	-37.14	-16.44	24.40	25.34	44.40	22.65	11.50
September	34.08	26.94	54.00	32.97	30.17	17.04	19.45	30.23	35.97	37.44	53.12	39.82	11.50
October	7.47	3.51	9.62	13.71	25.37	3.40	-25.81	-4.25	22.24	21.34	38.98	27.72	11.50
November	23.93	12.98	30.82	21.50	15.92	-2.64	-35.30	-16.72	28.49	27.77	44.08	28.42	11.50
December	14.74	13.00	13.29	17.54	21.61	2.30	-19.39	8.57	28.01	26.59	45.54	35.86	11.50

NATURAL GAS DIVISION  
 INTEREST RATES = ATB FINANCIAL PRIME + 1%

	2009	2008	2007	2006	2005	2004	2003
Jan.	4.50	7.00	7.00	6.00	5.25	5.50	5.50
Feb.	4.00	6.75	7.00	6.25	5.25	5.25	5.50
Mar.		6.75	7.00	6.25	5.25	5.25	5.50
April		6.25	7.00	6.50	5.25	5.00	5.75
May		5.75	7.00	6.75	5.25	4.75	6.00
June		5.75	7.00	7.00	5.25	4.75	6.00
July		5.75	7.00	7.00	5.25	4.75	6.00
Aug.		5.75	7.25	7.00	5.25	4.75	5.75
Sept.		5.75	7.25	7.00	5.25	4.75	5.75
Oct.		5.75	7.25	7.00	5.50	5.00	5.50
Nov.		5.00	7.25	7.00	5.75	5.25	5.50
Dec.		5.00	7.25	7.00	5.75	5.25	5.50

Prepared by Gas Royalty Calculation