



# **Petroleum Marketing Regulation Guidelines**

**July 31, 2006**

**(Updated July 9, 2015)**

## Notice

All persons making use of these Guidelines are reminded the Guidelines have no legislative sanction. Should any conflict arise among the *Mines and Minerals Act*, the *Petroleum Marketing Act*, the *Petroleum Marketing Regulation* and the Guidelines, the *Acts* and the *Regulation* will prevail.

<b>1</b>	<b>OVERVIEW</b>	
<b>1.1</b>	<b>Monthly Royalty Reporting.....</b>	<b>4</b>
<b>1.2</b>	<b>Late Reporting and/or Incomplete Report Penalties.....</b>	<b>5</b>
<b>1.3</b>	<b>Inaccurate Reporting Penalties.....</b>	<b>6</b>
<b>1.4</b>	<b>Over delivery Penalty.....</b>	<b>8</b>
<b>1.5</b>	<b>Under delivery Penalty.....</b>	<b>8</b>
<b>1.6</b>	<b>Invoicing for Penalties.....</b>	<b>9</b>
<b>1.7</b>	<b>Appeals respecting Penalties .....</b>	<b>9</b>
<b>1.8</b>	<b>Truck Transportation Allowances.....</b>	<b>10</b>
<b>1.9</b>	<b>Commission’s Right of Set-Off.....</b>	<b>12</b>
<b>2</b>	<b>MONTHLY STATEMENTS</b>	
<b>2.1</b>	<b>General Statements .....</b>	<b>12</b>
<b>2.2</b>	<b>Penalty Statements.....</b>	<b>13</b>
<b>2.3</b>	<b>Payments to Operator.....</b>	<b>13</b>
<b>2.4</b>	<b>Net amounts owing by Operator.....</b>	<b>13</b>
<b>2.5</b>	<b>Interest liability.....</b>	<b>13</b>
<b>2.6</b>	<b>Interest calculation.....</b>	<b>14</b>
<b>2.7</b>	<b>ATB prime rate definition.....</b>	<b>14</b>
<b>3</b>	<b>APPENDIX – Statement Samples</b>	
<b>3.1</b>	<b>Under/Over-Delivery/Failure to Amend Penalty Report.....</b>	<b>15</b>
<b>3.2</b>	<b>APMC/Operator/DOE Current Month Reconciliation Report.....</b>	<b>16</b>
<b>3.3</b>	<b>APMC/Operator/DOE Prior Month Reconciliation Report.....</b>	<b>17</b>
<b>3.4</b>	<b>Late/Non-Receipt/Inaccurate penalty Report.....</b>	<b>18</b>
<b>3.5</b>	<b>Operator Royalty Delivery Confirmation Report.....</b>	<b>19</b>
<b>3.6</b>	<b>Reporting Penalties Not Previously Identified Report.....</b>	<b>20</b>
<b>3.7</b>	<b>Outstanding Invoice Statement.....</b>	<b>21</b>

## **Petroleum Marketing Regulation - Guidelines**

### **1 OVERVIEW**

Alberta Energy has recently enacted legislation (Petroleum Marketing Regulation) dealing with the delivery and reporting of conventional Crown oil royalty. This legislation formalizes and further clarifies the business rules related to conventional oil royalty delivery in Alberta. Also included in the Regulation are provisions for penalties aimed at improving compliance by the energy industry with respect to conventional oil royalty delivery and reporting. A six-month shadow billing process will be implemented effective the July 2006 production period to enable battery operators to understand the process and to provide ample opportunity to correct their reporting. During this period, statements will be sent via the Petroleum Registry detailing the penalties that would have been charged subsequent to the implementation date; however an invoice will not be generated.

Specific areas that are addressed by the penalty system are:

- 1) Late or missing Crown royalty pipeline split reports and/or over-delivery amendments.
- 2) Inaccurate reporting, which includes reporting an inaccurate field delivery point or delivered volume
- 3) Over delivery and under delivery of Crown oil royalty volumes.

#### **1.1 Monthly Royalty Reporting**

The battery operator is responsible for reporting the delivery of the Crown royalty share of crude oil production through the Petroleum Registry of Alberta's oil pipeline split process, by the deadline specified on the Petroleum Industry Reporting Calendar. Operators are encouraged to take the necessary steps to ensure this data is filed on time and accurately. The Commission may extend the deadline to file a royalty report or amended report for any given delivery month. The deadlines contained in the Petroleum Industry Reporting Calendar are posted on the Petroleum Registry and on Alberta Energy's website.

If oil production for a given month is held in inventory, then the Crown portion for that month shall be added to (and reported with) the Crown portion of the following or subsequent production month when oil is next delivered from the battery. The Commission must be advised using the APMC-122 form of Crown oil held in inventory on a monthly basis. (Notice must be received via an APMC 122 form by the royalty volume split deadline via fax or e-mail).

The following royalty split information is required to be reported in the Registry:

- Business Associate Code (Operator Code)
  - Example: 0ABC
- Production Month (Delivery Period)
  - Example: 2006-09

- Delivering Facility ID (Battery Code)
  - Example: AB BT 1234567
- Receiving Facility ID (Delivery Point)
  - Examples: AB BT 1234567, AB CT 0000410, AB TM 0000820, AB PL 0000044
- Custody Transfer Point Facility ID (Pipeline or Terminal)
  - Example: AB TM 0000820, AB PL 0000044
- APMC volume (Crown Royalty Delivery)- nearest 0.1 of a cubic meter

Note that Petroleum Royalty guidelines detailing the ongoing principles and instructions for the calculation, delivery and reporting of conventional oil royalty are available on the Alberta Energy website under Oil > Legislation, Guidelines and Policies.

## 1.2 Late Reporting and/or Incomplete Report Penalties

A complete (including all pipeline splits) royalty report must be submitted to the Commission by the specified deadline. A report is considered late if the Commission does not receive it by the reporting deadline. A battery operator will be levied a penalty if they:

- a. File any reports after the specified deadline,
- b. Fail to report one or more batteries, or
- c. Fail to amend reports for over-delivered volumes. Amended reports are not required for any changes (i.e. coding errors, etc.) other than the claiming back of over-delivered volumes. Requests for amended reports will appear on the current month APMC/DOE/Operator reconciliation report.

The rates for these penalty types will be:

- i. \$100.00 each for the first 10 late/non-reported batteries.
- ii. \$50.00 for each subsequent late/non-reported battery.

An operator is subject to a maximum penalty of \$5000.00 per month for Late/Incomplete reporting. Note that the maximum is calculated on a monthly basis and includes any amendments for over-delivered volumes not received by the specified deadline.

These penalties will apply to each and every subsequent deadline that the operator fails to submit the missing report. In other words, if an operator fails to report a battery Crown royalty pipeline split for delivery month A for six calendar months, that operator shall be penalized for each of those six missed deadlines at the rates specified above.

### Example:

Reporting deadline for production month: September 2006 (2006-09)	October 12, 2006
Reporting deadline for production month: October 2006 (2006-10)	November 13, 2006

1. Operator 0ABC has 50 batteries to report through the Registry for production month 2006-09 by October 12, 2006.
  - a) If no data is received for any of the 50 batteries for delivery month 2006-09 by October 12, 2006, then the penalty will be \$3000.00
  - b) If no data is received for 30 of the 50 batteries for delivery month 2006-09 by October 12, 2006, then the penalty will be \$2000.00
  - c) If no data is received for any of the 50 batteries missing for delivery month 2006-09 by November 13, 2006, then there will be an additional \$3000.00 penalty.
  - d) If no data is received for 30 of the 50 batteries missing for delivery month 2006-09 by November 13, 2006, then there will be an additional \$2000.00 penalty.
  
2. Operator 0XYZ has 150 batteries to report through the Registry for production month 2006-09 by October 12, 2006.
  - a. If no data is received for any of the 150 batteries for delivery month 2006-09 by October 12, 2006, then the penalty will be \$5000.00 (not \$8000.00) maximum.
  - b. If no data is received for 100 of 150 batteries for delivery 2006-09 by October 12, 2006, then the penalty will be \$5000.00 (not \$5500.00) maximum.
  - c. If no data is received for any of the 150 batteries missing for delivery month 2006-09 by November 13, 2006, then there will be an additional \$5000.00 penalty (not \$8000.00) maximum.
  - d. If no data is received for 50 of the 150 batteries missing for delivery month 2006-09 by November 13, 2006, then there will be an additional \$3000.00 penalty.

Over delivery amendments are due approximately 60 days from the point of identification. This date will be clearly specified on the APMC/DOE/Operator Reconciliation report which identifies any discrepancies between delivered volumes and DOE calculated royalty at a battery level. Amendments pertaining to delivery period October 2002 or later must be filed utilizing the Registry – Edit Transportation Allowance and Overdelivery Claim functionality. Manual APMC 121 forms will be accepted for periods prior to October 2002.

The battery operator in a late reporting penalty situation may apply for a penalty waiver. The Commission may upon receipt of an application, waive all or part of a late report penalty on being satisfied that based on the circumstances of the case, the report was filed within a reasonable time after the reporting deadline and the original failure to file a timely report was due to the following:

- a. Circumstances beyond the operator's control, or
- b. Circumstances that the operator could not reasonably foresee.

### **1.3 Inaccurate Reporting Penalties**

A battery operator must submit an accurate royalty report to the Commission. The Commission may impose penalties on the battery operator if the report contains the following errors:

- a) Inaccurate Receiving Facility or Custody Transfer Point ID as compared to the confirmed field delivery point on the Crown Shipper's balance.
- b) Inaccurate reported APMC volume as compared to the actual volume received on the Crown Shipper's balance.

Note that due to upfront edit checks performed in the Registry, it is not possible to submit a royalty report with an **invalid** delivering facility. However, if a royalty report is filed for a specific delivering facility (producing battery) and the Crown production received is verified to be from another producing battery, an inaccurate penalty will be applied based on rule b) above.

The operator will be charged \$100.00 for each battery report containing one or more errors. The maximum penalty may not exceed \$10,000.00 per operator per month.

The Commission may, on its own motion, reduce or reverse a penalty imposed under this section based on any new evidence, which would have affected the original decision.

**Example:**

**1 Battery 12345 delivers a volume of 100 m3 to Terminal 820**

Operator 0ABC reports to the Registry as follows:

Delivering Facility	Receiving Facility	Custody Transfer Pt.	Volume
ABBT 0012345	ABTM 0000800	ABTM 0000800	100.0m <sup>3</sup>

Operator reported an inaccurate Receiving Facility and Custody Transfer Point. The resulting penalty would be \$100.00.

**2 Battery 23456 delivers a volume of 30 m3 via battery 12345 to terminal 820**

Operator 0ABC reports to the Registry as follows:

Delivering Facility	Receiving Facility	Custody Transfer Pt.	Volume
ABBT 0023456	ABBT 0012345	ABTM 0000820	10.0m <sup>3</sup>

Operator reported an inaccurate delivered volume. The resulting penalty would be \$100.00.

**3 Battery 34567 delivers a volume of 200 m3 directly to pipeline 44**

Operator 0ABC reports to the Registry as follows:

Delivering Facility	Receiving Facility	Custody Transfer Pt.	Volume
ABBT 0034567	ABBT 0012345	ABTM 0000820	210.0m <sup>3</sup>

Operator reported an inaccurate Receiving Facility, Custody Transfer Point and delivered volume. The resulting penalty would be \$100.00.

**4 Battery 45678 delivers a volume of 20 m3 directly to pipeline 44**

Operator 0ABC reports to the Registry as follows:

Delivering Facility	Receiving Facility	Custody Transfer Pt.	Volume
ABBT 0045678	AB PL 0000044	ABPL 0000044	20.0m <sup>3</sup>

The operator reported correctly, no penalty would be assessed.

**The total inaccurate reporting penalty for operator 0ABC would be \$300.00.**

## 1.4 Over delivery Penalty

An over delivery is considered to have occurred if the actual deliveries for a battery exceed Alberta Energy's royalty calculation for a given production/delivery month. The Commission will reimburse the battery operator for the over delivery (after receiving the appropriate amendment via the Registry), based on the Commission's field price less a fee for its services in carrying out the duties of sale and delivery of the excess quantity.

The operator is responsible for allocating the payment to current or former owners to whom this excess quantity belongs. The payment to the operator resolves any liability that the Commission has to the current or former owners of the excess quantities.

A penalty shall be imposed if an over delivery greater than 1.0m<sup>3</sup> occurs. The penalty rate will be determined as 10% of the Commission's field price multiplied by the volume over and above the amount that should have been delivered. If the Commission determines that the penalty was calculated in error or the error was wholly or partly attributable to an entity other than the battery operator or that the penalty was otherwise incorrectly calculated, the Commission may adjust the penalty accordingly to be reflected in the next monthly statement to the operator of the battery.

### Example:

Crown Royalty oil delivered: 12.6m<sup>3</sup>

Crown Royalty calculated: 10.5m<sup>3</sup>

Field price = \$319.60/m<sup>3</sup>

Penalty rate m<sup>3</sup> = \$31.96 (10% of \$319.60)

Over-delivery amount = 2.1m<sup>3</sup>

Penalty = 2.1m<sup>3</sup> x \$31.96 = \$67.12

## 1.5 Under delivery Penalty

An under delivery is considered to have occurred if the actual deliveries for a battery are less than Alberta Energy's royalty calculation for a given production/delivery month.

A penalty shall be imposed if an under delivery greater than 1.0m<sup>3</sup> occurs. The penalty rate will be determined as 10% of the Commission's field price multiplied by the undelivered volume. Note that this does not absolve the operator of any liability for the under delivery itself and the option to request that the volume be delivered in a future month, or to invoice for the under delivered volume remains the right of the Commission.

If the Commission determines that the penalty was calculated in error or the error was wholly or partly attributable to an entity other than the battery operator or that the penalty was otherwise incorrectly calculated, the Commission may adjust the penalty accordingly. Any adjustment will be reflected in the next monthly statement to the operator of the battery.



**Example:**

Crown Royalty oil delivered:	25.0m <sup>3</sup>	
Crown Royalty calculated:	40.0m <sup>3</sup>	
Field price		= \$290.00/m <sup>3</sup>
Penalty rate m <sup>3</sup>		= \$29.00 (10% of \$290.00)
Under-delivery amount		= 15m <sup>3</sup>
Penalty		= 15m <sup>3</sup> x \$29.00/m <sup>3</sup> = \$435.00

Note that penalties for over/under deliveries are charged only for the current delivery month. Therefore a retroactive adjustment in the DOE royalty calculation will not create a penalty for a delivering facility which originally delivered a volume within the 1.0m<sup>3</sup> tolerance of the Alberta Energy royalty calculation.

Over/Under delivery penalties are subject to a maximum of \$500 per delivering facility and \$10,000 per operator per delivery month. All cases of maximum penalty amounts being reached will be identified by an asterisk on monthly client statements.

## 1.6 Invoicing for Penalties

The Commission will include any net penalty amounts for the operator in the Financial Processing package delivered via the Petroleum Registry. The invoice will be supported by statements which will detail and provide reason(s) for the penalties. Note that if a penalty or other unpaid balance remains unpaid and the battery changes ownership, the new operator is jointly and severally liable for the debt.

During the shadow billing phase, monthly penalty statements will be sent to the Registry and include the following:

- a) The amount of the penalty had it been imposed
- b) The reason for which the penalty would have been imposed
- c) The date when penalties of that kind can start to be imposed

## 1.7 Appeals respecting Penalties

The battery operator may file with the Commission a notice of an appeal to the Minister respecting:

- a. That person's liability for the penalty,
- b. The amount of the penalty, or
- c. The Commission's refusal to waive the penalty

The notice of appeal must be filed in writing, with the Commission within two months after the date of the invoice for the penalty or the monthly statement that includes the penalty, or one month after the date of the Commission's notice to the battery operator of its refusal to waive the penalty.

The Minister shall conduct a review of the penalty upon receipt of the notice of appeal. The Minister may confirm the penalty, reverse the penalty or reduce the amount of the penalty.

For over and under delivery penalties, the operator must demonstrate in the appeal the cause of the discrepancy showing the difference between their delivery calculations vs. the calculations made by Alberta Energy. One specific basis for an appeal of this type would be if a royalty variable has changed between the time of identifying the Crown royalty split and that of the Alberta Energy royalty calculation.

Final details regarding appealable items, the format in which appeals are submitted and to whom they are sent will be finalized during the shadow billing phase and communicated prior to the implementation of penalty billing.

### **1.8 Truck Transportation Allowances**

The Crown will reimburse battery operators for costs associated with trucking the Crown royalty share. Trucking/transportation companies that deliver oil to pipelines invoice the delivering facility operators directly for transportation costs. A delivering facility operator is entitled to claim (subject to the APMC rules) the share of clean oil costs back from the APMC through a transportation allowance. A transportation claim is made in “unit rate” (dollars and cents per cubic meter) for a delivery month applied against the APMC volumes that were delivered to a custody transfer point.

The Crown is liable for an allowance only to the extent that the Minister consents to be liable, and the payment of an allowance is subject to any conditions the Minister prescribes, in addition to the following conditions:

The royalty oil:

- (a) Must have been transported in an uninterrupted manner;
- (b) Must have been delivered to the unloading facility to which it was required to be delivered during the delivery month;
- (c) Must have been delivered to the Crown’s account, and
- (d) While being transported, met the quality specifications for the pipeline to which the royalty oil was delivered from the unloading facility.

If any of these conditions are breached in respect of an allowance paid, the Minister may recover the allowance by action or by way of set-off under the Commission’s right of set-off.

An allowance for which the Crown is liable shall be paid to the operator of the battery for the delivery month in which the royalty oil was transported by truck.

### Eligible Cost Components

These are the direct “in-transit” trucking costs from the point where the oil is treated to meet, or already meets, pipeline basic sediment and water (BS&W) quality specifications ( $\leq 0.5\%$ ), to the pipeline-connected receipt point. Unless the DOE gives written approval in advance, other transportation costs are not allowed.

The unloading cost at a pipeline-receiving location is an eligible cost, except where the unloading cost is charged as a tariff to the shipper - the Crown Agent.

The Goods and Services Tax (GST) is *not* eligible and *cannot* be claimed in the Trucking Allowance.

### Calculating a Transportation Allowance

The transportation allowance, which is expressed as a unit cost in  $\$/\text{m}^3$ , is calculated by dividing the sum of the eligible cost components by the volume of oil delivered (total of Crown royalty and lessee volumes) in the month. Therefore, the unit cost of trucking Crown royalty oil is identical to the actual eligible unit cost of trucking the lessee’s share.

Trucking costs incurred on a non-arm’s-length basis cannot exceed the trucking rate available from the lowest cost competitive source, as documented by competitive bids.

### Claiming a Transportation Allowance

Transportation allowances, and any amendments, are to be reported online via Petrinex. The “Transportation Allowance and Overdelivery Claims” (TAOC) form is used by the battery operator to claim transportation allowances. Every month, Petrinex automatically sends APMC all the current Transportation Allowance and Overdelivery Claims, as well as those previously not extracted. The battery operator will receive payment for transportation allowances claimed on the current month TAOC submissions in accordance with the Petroleum Industry Reporting Calendar. For specific details regarding deadlines please refer to the Reporting Calendar located on the Petrinex Bulletin Board.

The TAOC form must be used if a transportation allowance was not claimed in a prior month, or if a previously submitted transportation allowance claim needs amending.

The TAOC form consists of the following:

Delivering Facility, Receiving Facility, Custody Transfer Point, Contract #, Amendment, APMC volume, Rate, Claim volume, Overdelivery volume, Reference Code and APMC Extracted Date.

## Claiming Period for Reimbursement of Transportation Allowances

Claims for reimbursement of transportation allowances must be submitted by the end of the second year following the year in which the delivery occurred.

## Audit Requirement

The APMC audits transportation allowance claims. Battery operators must retain records proving the loading and delivery points, volumes, cost of each trucked shipment, and evidence that the oil meets the eligibility requirements. Battery operators may be requested by the APMC to provide these third-party invoices and other calculations necessary to confirm the transportation allowance claim. If this information is not provided upon request, the battery operator's transportation allowance claim will be denied.

### **1.9 Commission's Right of Set-Off**

The Commission has the right to set-off any amount owing to the Commission by any person against any amount owing to that person by the Commission.

## **2 Monthly Statements**

### **2.1 General Statements**

#### APMC/Operator/DOE Current/Prior Month Reconciliation Report

The battery operator must resolve any differences between the royalty calculated by the DOE and the confirmed royalty delivered. Royalty Reconciliation Reports are available to the battery operator approximately on the 1st of each month. The Royalty Reconciliation Reports, along with the Crude Oil Crown Royalty Statement, enable the battery operator to reconcile any discrepancies.

#### Operator Royalty Delivery Confirmation Report

The Operator Royalty Delivery Confirmation Report shows all reported delivery information, including coding and volumetric changes made to the Registry submission for each producing battery. Upon receiving the report, the battery operator can update current and future reporting information. This information is available in the Registry on approximately the 20th of the month.

#### Statement of Royalty Adjustments and Transportation Allowances

The Statement of Royalty Adjustments and Transportation Allowances is issued monthly on industry payday. Each battery operator receives a separate statement for each delivery period for which a financial transaction occurs. Each statement documents (by Producing Battery/Delivery Point) any payment for transportation allowance or royalty over-delivery, and any charge for royalty under-delivery.

If the grand total of the transportation allowance, royalty over/under deliveries, penalties and interest charges is positive, a payment notice will be included with the statements. Payments to the operator will be made by an electronic transfer of funds. If the grand total is negative, an invoice will be included with the statements. Invoices are payable in accordance with the terms stated on

the invoice.

## **2.2 Penalty Statements**

### Under/Over-Delivery/Failure-to-Amend Penalties Report

This report details the value and cause of penalties for under/over delivery or the failure to amend previously over delivered volumes by the specified deadline. It is linked to and issued in conjunction with the APMC/Operator/DOE Current/Prior Month Reconciliation Report, which should be referenced for further detail on the grounds for the penalty if required.

### Late/Non-Receipt/Inaccurate Penalties Report

This report details the value and cause of penalties for late, missing or inaccurate reporting. It is linked to and issued in conjunction with the Operator Royalty Delivery Confirmation Report, which should be referenced for further details on the grounds for the penalty if required.

### Reporting Penalties Not Previously Identified Report

This report details any late, missing or inaccurate reporting penalties that were not identified in the current month delivery verification process. As the Operator Royalty Delivery Confirmation Report only pertains to the current month, this separate report is necessary to provide further detail in the case of an adjustment to a prior month delivery record based on information not available at the time of initial verification.

## **2.3 Payments to Operator**

If a monthly statement shows a net amount owing by the Commission to the operator, the Commission shall pay that amount to the operator.

## **2.4 Net amounts owing by Operator**

If a monthly statement shows a net amount owing by the operator to the Commission, an invoice for that amount will be issued showing the net amount, the due date and a statement regarding the operator's liability for interest.

## **2.5 Interest liability**

If an invoice is sent to an operator, and the net invoice amount is not paid in full to the Commission on or before the due date specified in the invoice, interest is owing to the Commission on the unpaid balance.

## **2.6 Interest calculation**

An outstanding invoice statement will be prepared monthly, listing unpaid items (including items paid after the due date), the due date of those items, and the interest due and payable on those items. If interest is payable in respect of any day, the rate of interest in respect of that day is the yearly rate that is 1% greater than the ATB prime rate in effect on the first day of the month in which that day occurs (and shall be compounded monthly in respect of the period for which it is computed).

## **2.7 ATB prime rate definition**

ATB prime rate means the yearly rate of interest established by Alberta Treasury Branch at its prime lending rate on loans payable in Canadian dollars.

## **3 APPENDIX**



276001 341506

06/05/30 10:41

User: XXXXX Under/Over-Delivery/Failure-to-Amend  
 Ref: Reporting Penalties  
 As At: 06/05/30

Page: 1

Contact: JANE DOE  
 Phone: (403) 555-5555

Business Associate: OABC XYZ Oil Company Ltd.

Penalty Ref Num	Delivery Month	Delivering Facility	Volume	Penalty Price	Penalty Value
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Fail-to-Amend Penalties

P00001	2004/08	AB BT 0012345			\$50.00*
P00002	2005/08	AB BT 0012345			\$50.00*
P00003	2006/02	AB BT 0012345			\$50.00*
P00004	2006/02	AB BT 0023456			\$50.00*

Penalty Type Total: \$200.00

Under-delivery Penalties

P00005	2006/04	AB BT 0012345	3.7	23.11	\$85.51
P00006	2006/04	AB BT 0023456	8.7	40.78	\$354.79
P00007	2006/04	AB BT 0034567	4.6	24.25	\$111.55
P00008	2006/04	AB BT 1234567	20.7	30.24	\$500.00*

Penalty Type Total: \$1,051.85

Over-delivery Penalties

P00009	2006/04	AB BT 0045678	17.3	23.99	\$415.03
P00010	2006/04	AB BT 0056789	5.4	24.25	\$130.95
P00011	2006/04	AB BT 3456789	11.6	24.00	\$278.40
P00012	2006/04	AB BT 8765432	2.6	21.81	\$56.71

Penalty Type Total: \$881.09

Grand Total: \$2,132.94

This report indicates amounts that would be charged upon completion of the shadow billing period on Jan 1, 2007 - NO PAYMENT REQUIRED ON THIS STATEMENT. Please see the APMC/Operator/DOE Reconciliation Report (Ministry Reporting - Reconciliation Package) for more detail on the cause of each penalty.

\* Indicates where full penalty value not charged due to \$ maximum being reached or the number of occurrences exceeded the specified limit.



276001 276539

User: XXXXXX

Ref:

APMC/Operator/DOE Current Month Reconciliation Report

Delivery Month: 2006/04

06/05/30 10:41

Page: 1

\*\*\* Failure to submit over-delivery amendments by deadline will result in a failure-to-amend penalty \*\*\*

Business Associate: OABC

XYZ Oil Company Ltd.

Forward to: JOHN SMITH

Contact: JANE DOE

Phone: (403) 555-5555

Delivering Facility	Month	Previous Net Royalty	Current Net Royalty	Royalty Adjustment	Delivered Volume	Invoiced Volume	Prior Month Collect	Future Month Collect	DIFFERENCE	Non-Royalty Deliveries	Penalty Ref Num	Amendment Deadline YYYY/MM/DD
ABBT 0012345	0604		10.0		6.3				3.7		P00005	
ABBT 0023456	0604		55.0		46.3				8.7		P00006	
ABBT 0023457	0604		25.0		25.0				0.0			
ABBT 0034567	0604		442.5		437.9				4.6		P00007	
ABBT 0045678	0604		10.0		27.3				-17.3 A		P00009	2006/07/31
ABBT 0056789	0604		0.0		5.4				-5.4 A		P00010	2006/07/31
ABBT 0067890	0604		0.8		0.9				-0.1 A			2006/07/31
ABBT 1234567	0604		20.7		0.0				20.7		P00008	
ABBT 3456789	0604		251.6		263.2				-11.6 A		P00011	2006/07/31
ABBT 8765432	0604		25.4		28.0				-2.6 A		P00012	2006/07/31
Total for XYZ Oil Company Ltd.			841.0		840.3				-0.7			

Penalties for prior delivery periods represent the failure to amend previously over delivered volumes. Penalties for the current month represent over/under deliveries as compared to the DOE royalty calculation.

"A" - Signifies an over-delivery currently exists - An Amendment is required by the deadline specified.

An asterisk (\*) indicates that this battery has been changed since the reconciliation statements were last run.

Non-Royalty Deliveries: An entry in this column represents over deliveries previously amended and processed. The original volume delivered was in excess of the royalty volume calculated by the DOE.

Prior Month Collections: An entry in this column represents that a volume owing for a prior month has been collected by the APMC in a subsequent month identified on the report.

Future Month Collections: An Entry in this column represents that the volume is being collected in a future month instead of the month in which the royalty calculation is based.





276001 276539

User: XXXXXX

Ref:

APMC/Operator/DOE Prior Month Reconciliation Report

As at 06/05/30 For Delivery Months up to 2006/03

06/05/30 10:41

Page: 2

\*\*\* Failure to submit over-delivery amendments by deadline will result in a failure-to-amend penalty \*\*\*

Business Associate: OABC

XYZ Oil Company Ltd.

Forward to: JOHN SMITH

Contact: JANE DOE

Phone: (403) 555-5555

Delivering Facility	Month	Previous Net Royalty	Current Net Royalty	Royalty Adjustment	Delivered Volume	Invoiced Volume	Prior Month Collect	Future Month Collect	DIFFERENCE	Non-Royalty Deliveries	Penalty Ref Num	Amendment Deadline YYYY/MM/DD	
ABBT 0012345	0408		0.0		1.8				-1.8	A	P00001	2006/07/31	
	0508		10.0		23.1				-13.1	A	5.0 P00002	2006/07/31	
	0602		15.5		15.8				-0.3	A	P00003	2006/07/31	
	0603	24.0	24.1	0.1	24.0				-0.1	*A		2006/06/30	
ABBT 0012346	0603		0.4		0.4				0.0	*	0.3		
ABBT 0023456	0602		119.9		125.5				-5.6	A	P00004	2006/07/31	
	0603		79.6		79.8				-0.2	A		2006/06/30	
ABBT 0034567	0603		0.5		0.0	0.5			0.0	*			
Total for		XYZ Oil Company Ltd.											
				-----					-----				
				0.1					-21.1				
				=====					=====				

Penalties for prior delivery periods represent the failure to amend previously over delivered volumes. Penalties for the current month represent over/under deliveries as compared to the DOE royalty calculation. "A" - Signifies an over-delivery currently exists - An Amendment is required by the deadline specified.

An asterisk (\*) indicates that this battery has been changed since the reconciliation statements were last run. Non-Royalty Deliveries: An entry in this column represents over deliveries previously amended and processed. The original volume delivered was in excess of the royalty volume calculated by the DOE. Prior Month Collections: An entry in this column represents that a volume owing for a prior month has been collected by the APMC in a subsequent month identified on the report. Future Month Collections: An Entry in this column represents that the volume is being collected in a future month instead of the month in which the royalty calculation is based.



250140 341503  
 User: XXXXX Late/Non-Receipt/Inaccurate  
 Ref: Current Delivery Month 2006/04  
 Reporting Penalties  
 As At: 06/05/19

06/05/19 12:43  
 Page: 1

Contact: JANE DOE  
 Phone: (403) 555-5555

Business Associate: OXYZ ABC Oil Company Ltd.

Penalty Ref Num	Delivery Month	Delivering Facility	---- Receiving Facility ---			Penalty Value
			Battery	PL/TM/CT		
Late Reporting Penalties						
P00015	2006/04	AB BT 0012345	AB BT 0045678	AB PL 0000083		\$100.00
P00016	2006/04	AB BT 0023456	AB BT 9876543	AB PL 0000072		\$100.00
P00017	2006/04	AB BT 0034567	AB BT 9876543	AB PL 0000072		\$100.00
P00018	2006/04	AB BT 0045678		AB PL 0000083		\$100.00
P00019	2006/04	AB BT 0056789	AB BT 0045678	AB PL 0000083		\$100.00
P00020	2006/04	AB BT 1234567		AB PL 0000044		\$100.00
P00021	2006/04	AB BT 2345678	AB BT 0054321	AB PL 0000155		\$100.00
P00022	2006/04	AB BT 3456789		AB TM 0000820		\$100.00
P00023	2006/04	AB BT 8765432		AB TM 0000825		\$100.00

Penalty Type Total: \$900.00

Non-Receipt Reporting Penalties

P00024	2006/04	AB BT 9876543	AB BT 1234567	AB PL 0000044		\$100.00
P00025	2006/04	AB BT 0098765	AB BT 1234567	AB PL 0000044		\$50.00*

Penalty Type Total: \$150.00

Inaccurate Reporting Penalties

P00026	2006/04	AB BT 0087654	AB BT 0065432	AB PL 0000044		\$100.00
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Penalty Type Total: \$100.00

Grand Total: \$1,150.00

This report indicates amounts that would be charged upon completion of the shadow billing period on Jan 1, 2007 - NO PAYMENT REQUIRED ON THIS STATEMENT. Please see the Royalty Confirmation Report (Ministry Reporting - Payment Approval Package) for more detail on the cause of each penalty.

\* Indicates where full penalty value not charged due to \$ maximum being reached or the number of occurrences exceeded the specified limit.



250140 250795

User: XXXXX

Ref:

Operator Royalty Delivery Confirmation Report  
 Delivery Month: 0604

06/05/19 12:43

Page: 1

Business Associate: OXYZ ABC Oil Company Ltd.

Contact: JANE DOE  
 Phone: (403) 555-5555

Delivering Facility	---- Receiving Battery	Facility --- PL/TM/CT	Delivered Volume	Reference Number	Reason Changed/Comments	Penalty Ref Num
AB BT 0000123	AB BT 0000234	AB PL 0000044	0.2	1401210		
AB BT 0000234		AB CT 0000425	146.5	1401211		
AB BT 0012345	AB BT 0045678	AB PL 0000083	470.8	1405223	Reported Late	P00015
AB BT 0000345		AB PL 0000044	560.9	1401212		
AB BT 0000456		AB PL 0000044	140.9	1401213		
AB BT 0023456	AB BT 9876543	AB PL 0000072	580.0	1405224	Reported Late	P00016
AB BT 0034567	AB BT 9876543	AB PL 0000072	170.5	1405225	Reported Late	P00017
AB BT 0000567		AB PL 0000045	38.2	1401214		
AB BT 0000678		AB PL 0000044	<19.4>	1401215		
AB BT 0000678		AB TM 0000857	19.4		APMC Code Change - No Action Required	
AB BT 0000789		AB PL 0000044	51.4	1401216		
AB BT 0045678		AB PL 0000083	4.4	1405226	Reported Late	P00018
AB BT 0056789	AB BT 0045678	AB PL 0000083	23.1	1405227	Reported Late	P00019
AB BT 1234567		AB PL 0000044	25.4	1405228	Reported Late	P00020
AB BT 0001234		AB TM 0000805	102.2	1401217		
AB BT 0087654		AB PL 0000044	<2,277.1>	1401218	Inaccurate Report	P00026
		AB PL 0000044	2,279.2		Volume increased per pipeline report	
AB BT 0002345		AB PL 0000044	31.5	1401219		
AB BT 0003456		AB PL 0000044	9.5	1401220		
AB BT 0004567		AB PL 0000044	50.5	1401221		
AB BT 2345678	AB BT 0054321	AB PL 0000155	11.0	1405229	Reported Late	P00021
AB BT 0005678	AB BT 0004567	AB PL 0000044	4.7	1401222		
AB BT 0006789		AB PL 0000044	17.1	1401223		
AB BT 3456789		AB TM 0000820	0.7	1405230	Reported Late	P00022
AB BT 8764532		AB TM 0000825	24.5	1405231	Reported Late	P00023
AB BT 0009876		AB TM 0000825	1.5	1401224		
AB BT 9876543	AB BT 1234567	AB PL 0000044	24.3	1405232	Vol rcvd, not reported: REPORT REQUIRED	P00024
AB BT 0076456		AB PL 0000044	1.9	1405233	Vol rcvd, not reported: REPORT REQUIRED	P00025

Total Registry Submissions - by Deadline

3,451.6

Total APMC Confirmation

4,790.3



250140 341504  
 User: XXXXX  
 Ref:

Reporting Penalties Not Previously Identified Report  
 As At: 06/05/23

06/05/30 12:43  
 Page: 1

Contact: JANE DOE  
 Phone: (403) 555-5555

Business Associate: OABC XYZ Oil Company Ltd.

Penalty Ref Num	Delivery Month	Delivering Facility	---- Receiving Facility --- Battery	PL/TM/CT	Volume	Penalty Value	Reason Changed/Comments
Late Reporting Penalties							
P00028	2006/02	AB BT 0012345	AB BT 0045678	AB PL 0000083	62.0	\$50.00*	Reported Late
P00029	2006/03	AB BT 0023456	AB BT 0045678	AB PL 0000083	56.0	\$50.00*	Reported Late
Penalty Type Total:						----- \$100.00	
Inaccurate Reporting Penalties							
P0003	2006/02	AB BT 0034567		AB PL 0000083	<307.3>	\$100.00	Inaccurate Report
				AB PL 0000083	245.3	\$0.00	Volume adjustment
Penalty Type Total:						----- \$100.00	
Grand Total:						----- \$200.00 =====	

This report indicates amounts that would be charged upon completion of the shadow billing period on Jan 1, 2007 - NO PAYMENT REQUIRED ON THIS STATEMENT.

\* Indicates where full penalty value not charged due to \$ maximum being reached or the number of occurrences exceeded the specified limit

306001 308500  
 User: XXXXXXXX  
 Ref: PM

Outstanding Invoice Statement  
 Statement Date: 2006/06/22

505206/22  
 1 Page:

Business Associate: OABC XYZ Oil Company Ltd.

Invoice	Balance Forward	Invoiced Since	Due	Amount	Days	Interest
Date	Outstanding	Days	Interest on	Number	at 2006/05/23	Last Statement
O/S	Date	Paid	Paid Date	Late	on Late	Balance
		Outstanding				
18861	\$5,375.48		2006/05/23	\$2,271.88	2006/06/02 10	\$4.20
19062		\$15.56	2006/05/23			\$15.56
19069		\$110,195.38	2006/05/25			\$110,195.38
						\$4.20
						\$113,314.54
						Interest Calculated
						Interest Charged

\* Interest charged from 2006/05/24 to 2006/05/31 is 6.75%, 2006/06/01 to 2006/06/22 is 7.00%