

February 19, 2009

OIL SANDS OPERATIONS BULLETIN 2009-03

SUBJECT: STATEMENTS OF APPROVAL - SECTIONS 38(5) and 39(3), *OIL SANDS ROYALTY REGULATION, 2009*

Effective January 1, 2009, the [Oil Sands Royalty Regulation, 2009](#) introduces some changes to the way monthly and annual reports must be filed. In particular, section 38(5), dealing with monthly reports requires that

A report under subsection (1) in respect of a Project must be accompanied by a statement indicating approval of the report by the chief financial officer of the operator or by another senior officer of the operator approved in advance by the Minister.

A similar requirement appears in section 39(3), dealing with the approval of annual reports:

A report under subsection (1) must be accompanied by a statement indicating approval of the report by the chief financial officer of the operator or by another senior officer of the operator approved in advance by the Minister.

This Bulletin provides information on a general approval of senior officers issued by the Minister, which will facilitate operators fulfilling the requirements in sections 38(5) and 39(3) until each individual operator can propose, or the Minister otherwise identifies, operator and Project specific senior officers for acceptance by the Minister. This Bulletin also addresses some of the questions that the Oil Sands Operations Division has received from operators concerning how the approval provided by a senior officer is to be evidenced.

What form must the approval by the chief financial officer or senior financial officer take?

1. The approval must accompany the report under section 38 or 39 to which it relates. Oil Sands Operations Division will accept a separate document, such as a letter, accompanying the monthly or annual report, providing that such a letter clearly references the report to which it relates.
2. The chief financial officer or senior officer should provide a statement indicating his or her approval of the specified report.
3. The statement must be signed by the chief financial officer or senior officer who is approving the report to which the statement relates, and must clearly indicate the name of the individual. A scanned signature page included with an electronic submission is acceptable.

To what oil sands projects or entities does this requirement apply?

The requirements in section 38(5) and 39(3) apply to all oil sands Projects approved under the [Oil Sands Royalty Regulation, 1997](#) or the *Oil Sands Royalty Regulation, 2009*.

What is the nature of the approval?

The statement signifies approval of the chief financial officer or senior officer regarding the accuracy of the actual information and the reasonableness of the forecasted information contained in the report.

Who can approve the report?

A report can be approved by the chief financial officer of the operator. Alternatively, another senior officer of the operator approved in advance by the Minister may provide a statement approving the report.

The Minister has provided a general approval which recognizes individuals holding the following positions within the corporate structure of an operator as senior officers for the purposes of subsections 38(5), provided that such individuals have responsibilities with respect to the Project to which their approval as senior officer relates:

1. chair or vice-chair of the board of directors
2. chief executive officer
3. chief operating officer
4. president
5. vice-president
6. corporate secretary or assistant corporate secretary
7. treasurer or assistant treasurer
8. general manager
9. controller
10. a person responsible for management of a royalty or tax reporting department
11. a person responsible for management of a production accounting department

The Minister has also provided a general approval which recognizes individuals holding the following positions within the corporate structure of an operator as senior officers for the purposes of subsection 39(3), provided that such individuals have responsibilities with respect to the Project to which their approval as senior officer relates:

1. chair or vice-chair of the board of directors
2. chief executive officer
3. chief operating officer
4. president
5. vice-president
6. corporate secretary or assistant corporate secretary
7. treasurer or assistant treasurer
8. general manager
9. controller

The preceding lists indicate the minimum level of accountability that will be accepted with respect to fulfilling the senior officer approval requirements for the monthly and annual reports. Only individuals holding the preceding positions may complete an approval for the purposes of sections 38(5) and 39(3). Authority to complete an approval may not be delegated.

This general approval of the Minister may be superseded by the Minister issuing an operator and Project specific approval identifying individuals who will be authorized as senior officers for the purposes of sections 38(5) and 39(3). The operator and Project specific approval may require individuals other than those listed above to serve as senior officers, and may provide for other terms and conditions. All approvals are at the discretion of the Minister, and may be revoked or amended.

What is the process for getting a senior officer approved?

Operators should write to the Oil Sands Operations Division at the following address (letters will be accepted in electronic format):

RoseAnn Summers
Director, Tenure and Royalty
Oil Sands Operations Division
Department of Energy
North Tower, Petroleum Plaza
9945 – 108 Street
Edmonton, Alberta T5K 2G6
RoseAnn.Summers@gov.ab.ca

Please identify the proposed senior officer and any alternative senior officers, a description of their respective positions. Proposed senior officers should, at a minimum, hold positions as described in the lists above in order to be considered for approval. Different individuals may be proposed in relation to providing approvals for reports referenced under section 38(5), and in respect of reports referenced under section 39(3).

The Minister will respond in due course with his decision as to whether the proposed individuals are approved. In the meantime, until a specific approval is issued, operators may fulfill the requirements of section 38(5) and 39(3) by having individuals holding the above listed positions provide the statements of approval, provided that they have some responsibilities in connection with the Project to which their approval as senior officer relates.

This Bulletin deals only with the statement of approval required in section 38(5) and 39(3). Operators are encouraged to approach the Department with respect to other questions concerning the reporting processes under the *Oil Sands Royalty Regulation, 2009*. Questions may be directed to:

RoseAnn Summers
Director, Tenure and Royalty
Oil Sands Operations
(780) 422-6684

Colin Pate
Director, Business Rules
Oil Sands Operations
(780) 427-6513

Sincerely,

Anne Denman
Executive Director
Oil Sands Operations