



ENERGY

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Operational Policy

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OIL SANDS INFORMATION BULLETIN 2006-07

SUBJECT: The Alberta Oil Sands Royalty Principles and Procedures

The Alberta Oil Sands Royalty Principles and Procedures (Guidelines) interpret the legislations, particularly the Oil Sands Royalty Regulations, 1997 (AR 185/1997) and describe the principles and procedures involved in approving, reporting, and paying oil sands projects and oil sands royalties.

The November 30, 2006 Guidelines replace the Guidelines dated June 1, 2006. The attached list identifies the updates made to the Guidelines since July 29, 2005.

The November 30, 2006 Guidelines may be retrieved from the Department of Energy website: <http://www.energy.gov.ab.ca> (choose Oil Sands, and then choose Royalty Guidelines).

Oil Sands Royalty clients are encouraged to continually check the department's website as these Guidelines reflect the ongoing policies and procedures of the Oil Sands Royalty Program and are subject to ongoing changes as required.

In cases of conflict, the Mines and Minerals Act and the Oil Sands Royalty Regulations, 1997 will take precedence over these Guidelines.

For more information about Alberta's Oil Sands Royalty regime, please go to the Department of Energy website and choose 'Our Business', 'Oil Sands' or 'Contacts' to receive further clarifications regarding the Guidelines.

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Attachment

Change #	Location of Change	Details of Changes as of November 30, 2006
1.	Appendix A - Glossary	Changes for clarification on the following 1. Crown's Share 2. Freehold Rights 3. Facility
2.	Appendix B – Application for Royalty Terms under the Oil Sands Royalty Regulation form	1. Under "AEUB Approvals" – for clarification added the word <u>application(s)</u> and approval(s). 2. Under "Lands, Leases and Mineral Rights" removed 'copy of lease agreement' (not a requirement) 3. Under "Facilities and Other Capital Assets" - replaced "off-lease" with "off-project lands" 4. Updated "Completed Applications should be submitted to" section with new contact information. 5. Updated 'reference' on Appendix B cover page
3.	Appendix F - Good Faith Estimates (GFEs)	Updated form listing on Appendix F cover page (incorrectly referenced)
4.	Appendix J - Contact Information	1. Under "Submitting a Project Application" \ changed from Colin Pate to Steve Tkalcic as a contact. 2. Under "Royalty Reporting" - changed from Ray Khan to David Isaac as a contact 3. Under "OSR Account Inquiries", - changed Noelle Winter to Barb Buckley and added a new contact mailbox for the business area.
5.	Appendix K - List of Figures	Changes as reflected in Change #2 - Point 1
6.	Appendix L - List of Allowed and Not Allowed Costs	Update to clarify the "Not Allowed Costs" description to the Illustrative Costs Category - "Consultation groups, membership and, Industry Associations"
7.	Section 2.2.1 - EUB Approval	Changes as reflected in Change #2 - Point #1
8.	Section 2.3.9 - The Effective Date	Changed the example dates by replacing the month of April to June. To reflect requirements as outlined in IB 2006-06 published in August 2006.
9.	Section 3.3.1 - Consulting with the Department	Changed contact information for submitting an application as reflected in Change #4 - Point #1
10.	Section 3.3.2.2 - Submitting a Completed Application	Changed contact information for submitting an application as reflected in Change #4 - Point #1
11.	Section 3.3.3.5 - Project Description	Changes as reflected in Change #2 - Point #1
12.	Section 3.3.3.5.1 - Alberta Energy and Utilities Board Approval	Changes as reflected in Change #2 - Point #1
13.	Section 3.3.3.5.4 - Facilities and Other Capital Assets	Changes as reflected in Change #2 - Point #3
14.	Section 6.1.2 End of Period Statement Reporting Forms (Pre-Payout)	Replaced “executive” officer with “authorized” officer to be consistent with Regulation.
15.	Section 6.1.2.2 Amendments	Revised to clarify the number of amended hardcopies required to be submitted to the Department relating to End of Period Statement
16.	Section 6.4.1.1 Required Information	Revised Table to clarify the number of hardcopies required to be submitted to the Department relating to End of Period Statement (Pre and Post)
17.	Section 6.4.1.3 Submission	Revised last bullet to clarify the number of hardcopies required to be submitted to the Department relating to End of Period Statement
18.	Section 6.5.1 - Method of Payment	Updated Account Number and address
19.	Figure 1 - The approval process for oil sands royalty projects, diagram	Changes as reflected in Change #2 - Point #1