

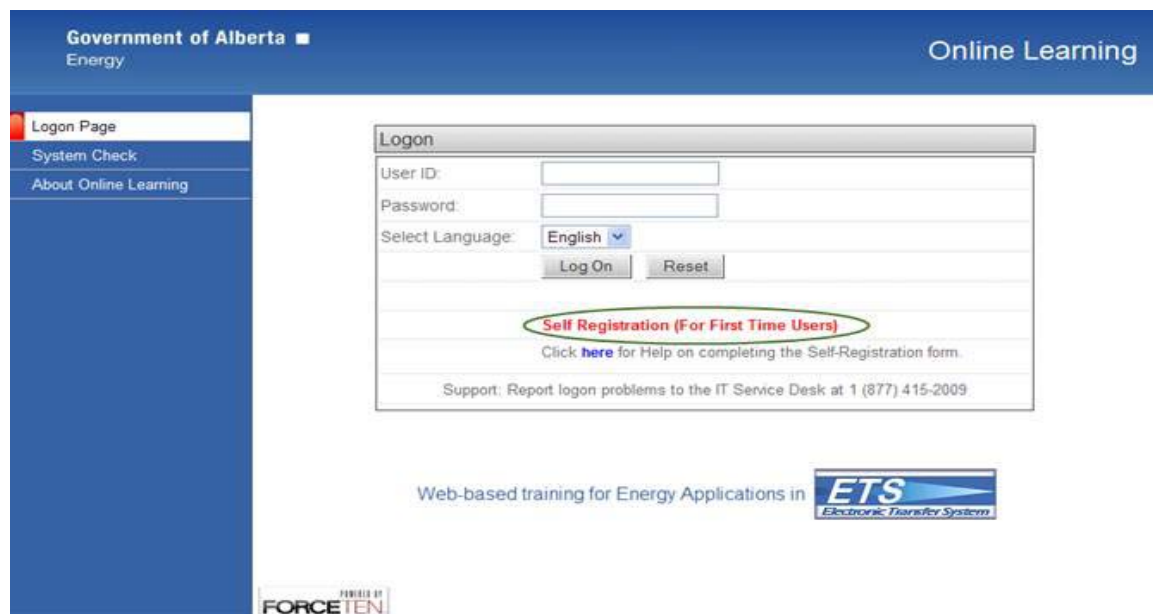
November 10, 2009

OIL SANDS INFORMATION BULLETIN 2009-16

**SUBJECT: Cost Analysis & Reporting Enhancements (CARE) Update and Statutory Requirements and Recalculation of “2005” Oil Sands Royalty**

**1. Cost Analysis & Reporting Enhancements (CARE) Update**

All CARE reporting forms must be submitted electronically in Excel format through the secure web application Electronic Transfer System (ETS). Access to the ETS Correspondence folder is required prior to any submissions. An online training module for CARE Correspondence has been developed to provide direction to new users in completing their electronic submissions. This training is available at <https://training.energy.gov.ab.ca/forceten/>.



**Registration Help**

Users are required to complete the self registration process the first time they access Alberta Energy Online Learning. The following outlines the formatting for the mandatory fields required to complete the **Self Registration** form.

**Reminder:** DO NOT use your ETS user ID and password in the self-registration form for Online Training. This will help to ensure the privacy and security of the information in the Electronic Transfer System (ETS).

The image shows two versions of a 'Self Registration' form. The left version is a clean form with the following fields: User ID (placeholder: Firstname.Lastname), User Key (placeholder: Firstname.Lastn), Password (placeholder: Create your password), Confirm Password (placeholder: Confirm the password), First Name (placeholder: Enter your first name), Last Name (placeholder: Enter your last name), Email Address (placeholder: Name@provider.com), Language (dropdown menu: English), and Rich Content (checkbox: checked). There are 'Close' and 'Register' buttons at the bottom.

The right version of the form has a red header that says 'All fields are mandatory'. It has red error messages for each field:
 

- User ID: No spaces. User ID and User Key can only contain letters, numbers, periods, dashes, underscores or @.
- User Key: Same as User ID above but with maximum of 15 characters.
- Password: Any letters or numbers. Field is case sensitive.
- Confirm Password: Repeat password from line above.
- First Name: Enter your first name.
- Last Name: Enter your last name.
- Email Address: Enter a valid email address.
- Language: English English is the default.
- Rich Content: Check this box to view course Show Me video simulations.

 There are 'Close' and 'Register' buttons at the bottom.

If you have any questions, please contact Sharon Tarnawsky, Manager Royalty and Costs Accounting, Oil Sands Operations Division at (780) 644-5137 or by email at Sharon.Tarnawsky@gov.ab.ca.

## **2. Statutory Requirements and Recalculation of “2005” Oil Sands Royalty**

In accordance with section 38 of the Mines and Minerals Act, the Minister may calculate, recalculate or make additional calculations of (among other things) the Crown’s royalty share of a mineral or any royalty proceeds. A calculation, recalculation or additional calculation may be made in two ways:

1. On the Minister’s initiative in conjunction with an audit or examination; or
2. At the written request of an operator/lessee.

Where the calculation, recalculation or additional calculation of any royalty proceeds is made pursuant to a written request or as a result of an audit or examination under section 47(5), and the written request is received or the audit or examination is commenced in the 4th year that 4-year period is extended by one year.

### **Audits in Progress**

Oil Sands project operators are advised that certain 2005 Prior Net Cumulative Balance (PNCB) and End of Period Statements (EOPS) audits are currently in progress. It is anticipated that these audits will be completed before December 31<sup>st</sup>, 2009. However, should these audits be required to continue into 2010, as authorized by the Mines and Minerals Act, project operators will be advised in writing prior to December 31<sup>st</sup>, 2009.

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

If you have any questions, please contact Chris Lawton, Manager, Compliance & Assurance group at (403) 297-6746 or by email at Chris.Lawton@gov.ab.ca.

## **Industry Recalculation of 2005 Royalty**

Industry initiated royalty recalculation requests for the 2005 production year must be submitted in writing to the attention of:

Maria Lee  
Manager Oil Sands Royalty  
Oil Sands Operations  
14th Floor, Petroleum Plaza – North Tower  
9945 – 108 Street  
Edmonton, Alberta T5K 2G6

This request must be received by the department on, or before, December 31<sup>st</sup>, 2009 and it must include the following:

- Identification of the Oil Sands Project requiring recalculation;
- The reason for the recalculation;
- An order of magnitude estimate, i.e. the approximate amount of the royalty impact;

If you have any questions regarding this process please contact Maria Lee at (780) 415-2081 or by email at [Maria.Lee@gov.ab.ca](mailto:Maria.Lee@gov.ab.ca).

Anne Denman  
Executive Director  
Oil Sands Operations