



Indigenous Services
Canada

Services aux
Autochtones Canada

Canada

Town Hall - Royalty Information Session

Canada Energy Regulatory (CER) Conference Centre
210-517 10 Ave SW, Calgary, AB

Indian Oil and Gas Canada (IOGC)

Session Dates: October 1, 2025, AM and PM Sessions



Land Acknowledgement

In the spirit of reconciliation, we want to acknowledge that we are holding this meeting within the Treaty 7 Region.

We support and work with many other First Nations, including those located in Treaties 2, 4, 6, 8, 10 and 11, as well as Unceded Lands in British Columbia and Ontario.

This acknowledgement only becomes meaningful when combined with accountable relationships and informed actions.

We come to this meeting with good intentions, honesty, integrity, humility, and respect.

We acknowledge that we have much work to do as we endeavour to build and strengthen our relationships with First Nations Peoples, affirm inherent rights, and advance Truth and Reconciliation.

Session Agenda

1. Welcome, Safety, and Introductions
2. Key Topics:
 - 1) Who We Are – IOGC Overview
 - 2) Our Journey – Path Forward
 - 3) Royalty Assessment Updates
 - 4) Gas Cost Allowance Updates
 - 5) What Else Is New – Updates From Other IOGC Teams
3. Discussions, Questions and Answers
4. Key Contacts-Information



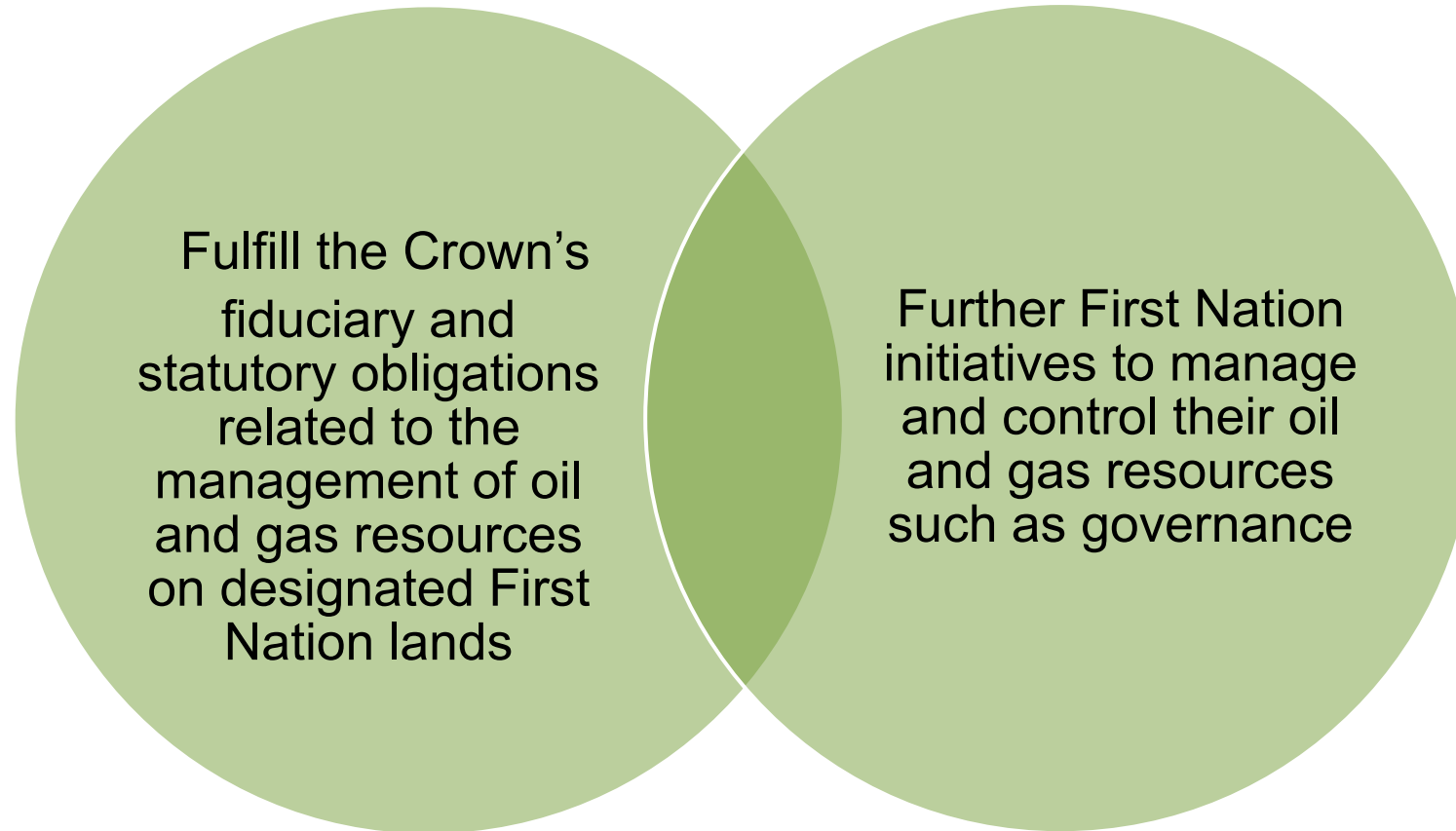
Who We Are

Indian Oil and Gas Canada Overview



IOGC Overview

Our Dual Mandate



Statutory Authorities

Indian Oil and Gas Act

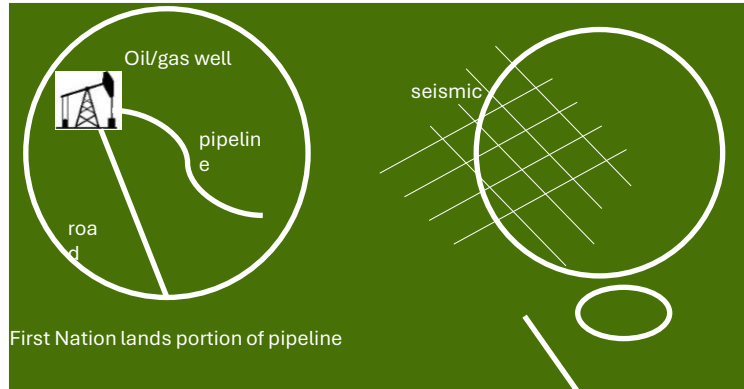
Indian Oil and Gas Regulations

First Nations Oil and Gas and Moneys Management Act

Other federal legislation applies such as the *Indian Act*, *Impact Assessment Act*, and *Financial Administration Act*, etc.

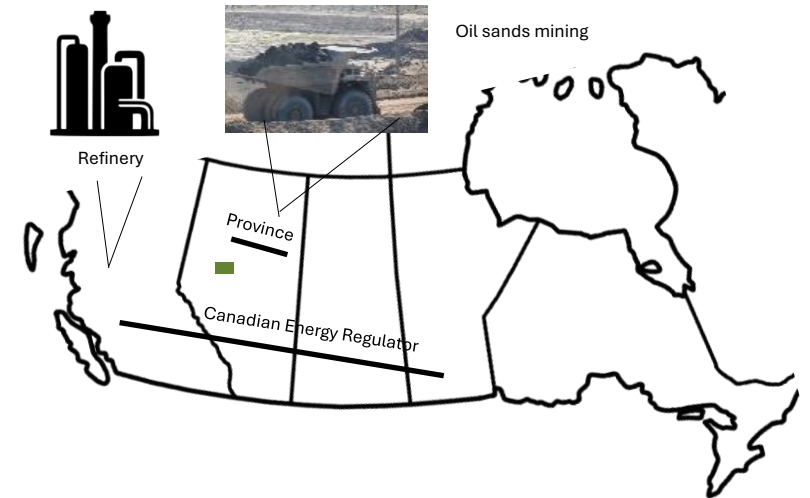
Jurisdiction

IOGC



We manage and regulate oil and gas on designated First Nation lands

Other Regulators



Traditional Lands, outside of designated First Nation lands

We do not regulate:

- Any oil and gas outside of First Nation lands
- Midstream or downstream oil and gas
- Renewable energy or alternative technologies
- Oil sands mining

Service Delivery

First Nations are our clients, and we also work with industry and other departments and governments for the benefit of First Nations



IOGC does **not** charge a fee to First Nations or retain a percentage of royalties/rentals for these services



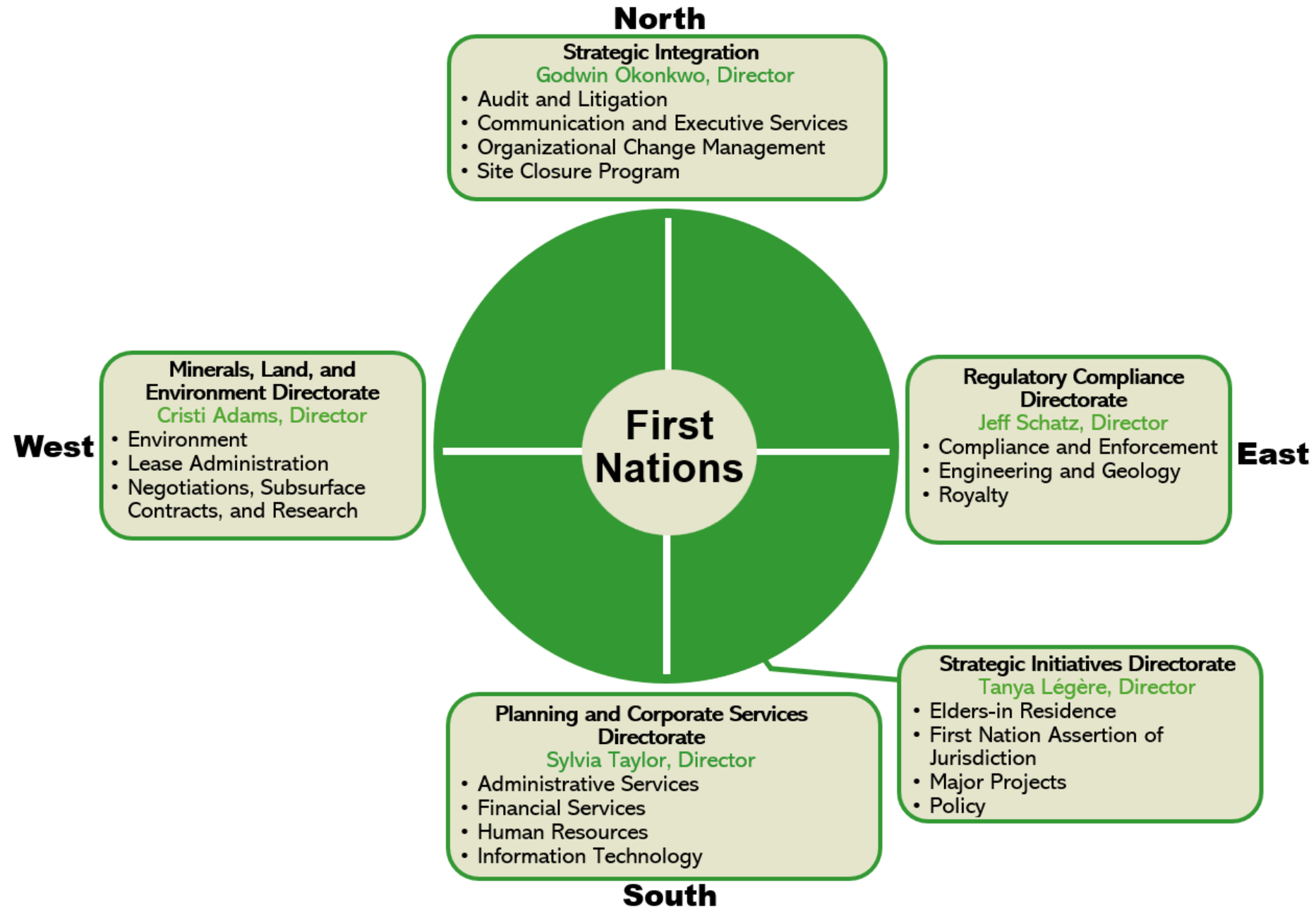
We work closely with Chief and Council and designated Oil and Gas Representative (by Band Council Resolution)



Chief and Council's involvement is critical in:
Negotiation of terms and conditions Review and approval of agreements



Wallace Fox, Executive Director and Chief Executive Officer



Main Functions

Contracts	Negotiation, reviewing, issuing, and administrating subsurface and surface agreements between First Nations, industry, and IOGC
Environmental Stewardship	Monitoring environmental stewardship throughout the entire oil and gas life cycle including liability management
Protecting First Nation Interests	Managing subsurface trespass, offset situations, subsurface contract continuance, non-productivity, and site closure
Engineering and Geology	Completing production forecasts and asset reviews, conducting engineering as geological evaluations, and serving drainage and non-productivity notices
Royalties	Monitoring and ensuring equitable production, fair prices, and the timely collected of royalties, bonuses, and rentals
Compliance and Enforcement	Monitoring compliance with legislative, regulatory, and contractual requirements and enforcing non-compliances
Policy	Developing and updating IOGC-related legislation, regulations, policies, and agreements

The top half of the image features a dark background with several interlocking metallic gears. A prominent compass rose is visible in the upper right, showing cardinal and intercardinal directions (N, NE, E, SE, S, SW, W, NW) and degree markings.

Our Journey

Path Forward



Memory Lane – Future?

RIMS2 Journey – Strategic Transformation- 2009

Petrinex Inclusion Project - 2017

IOGC - Petrinex GCA Platform - 2019

SK – IOGC Petrinex Data Integration and Royalty Compliance

AB – IOGC Full Petrinex Data Integration and Royalty Compliance

MB – IOGC Petrinex Data Integration and Royalty Compliance

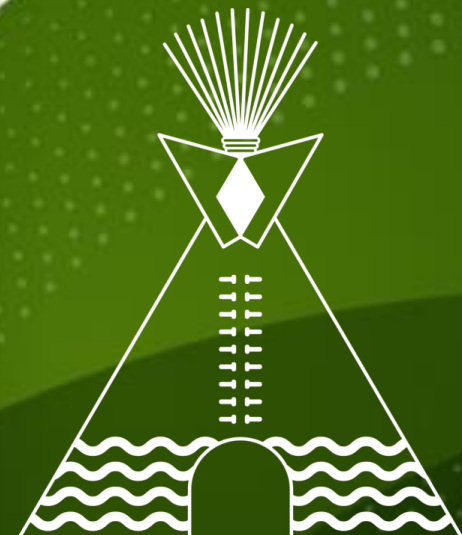
What is next – New BC Royalty Framework 2027?

IOGC Future Regulatory Amendments – 2027?

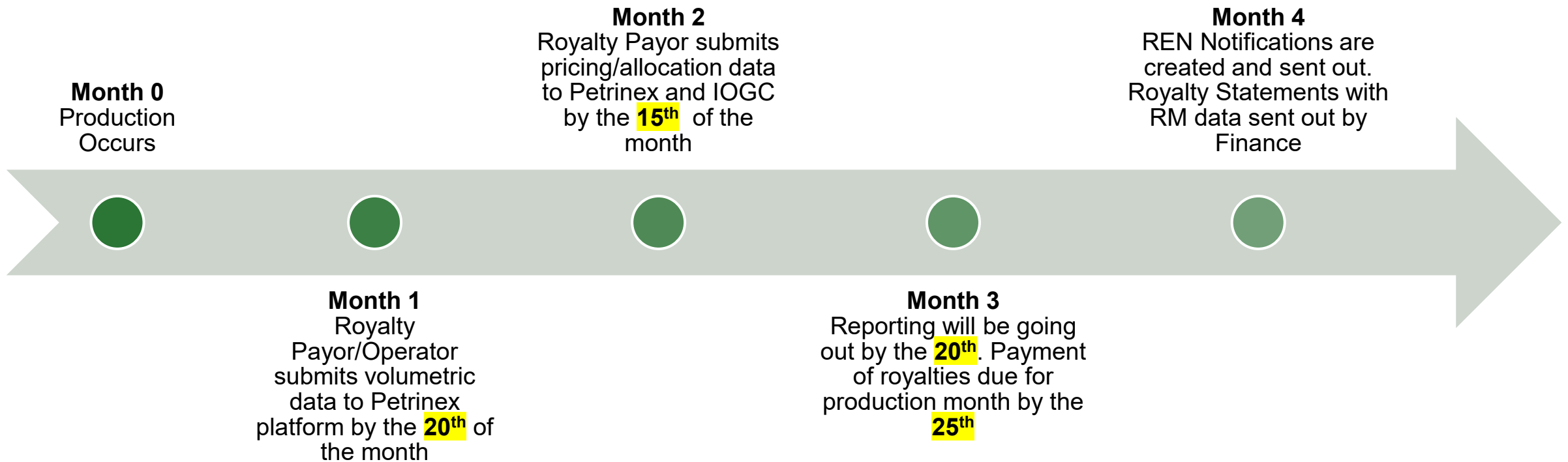


Updates

Royalty Assessment (RA) Team



Timeline for Royalty Calculation and Payments



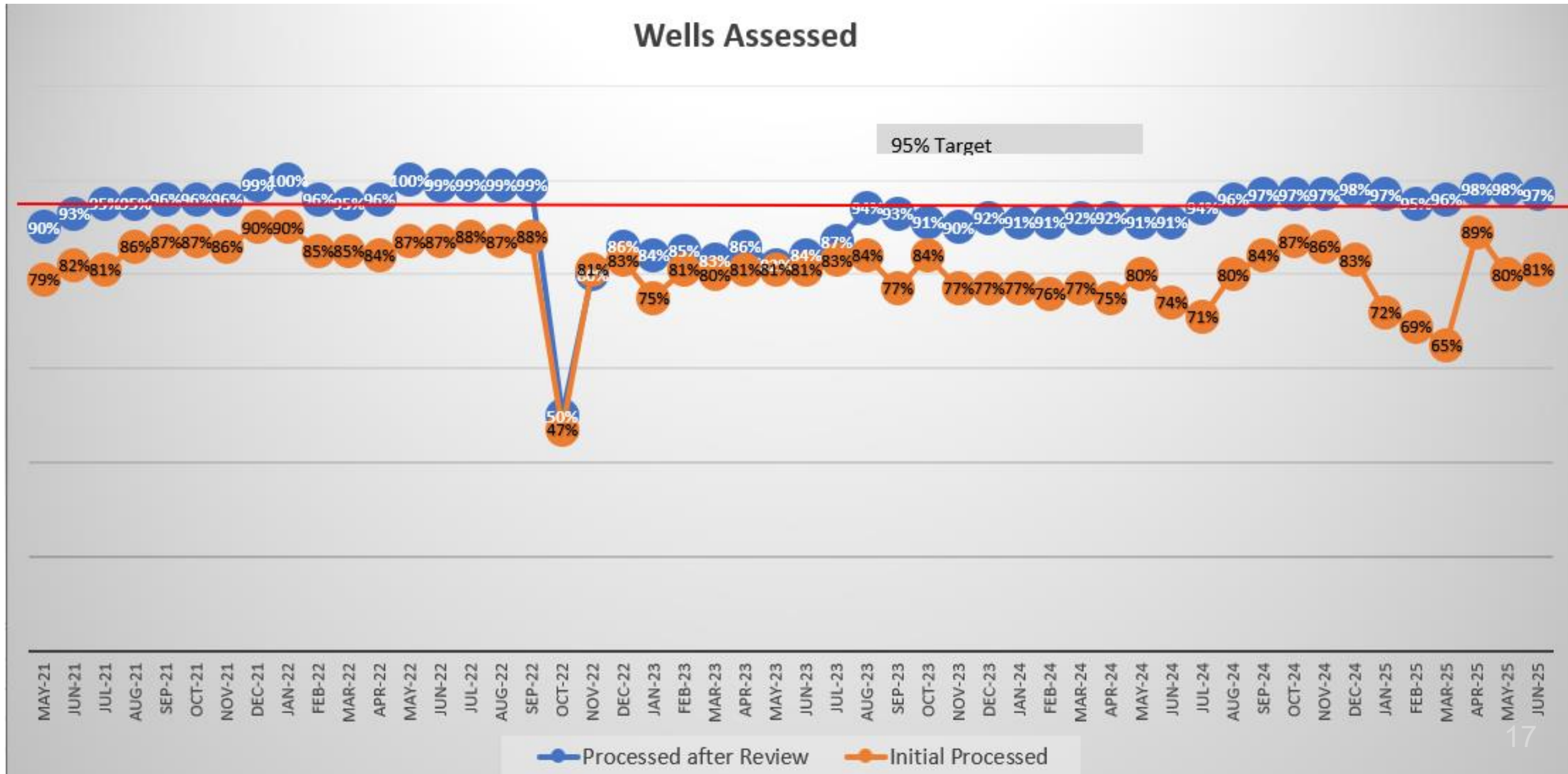
Prior Periods Clean – Up

- During IOGC Royalty Module (RM) implementation, both IOGC Electronic Data Submission (EDS) and Petrinex were run in parallel for some time
- IOGC is working on ensuring all data prior to **August 2024** cut off is in the old IOGC Resource Information Management System (RIMS1 system) – submission through EDS
- We will be reaching out to affected parties for inputs
- Once all data is in the system, the old system will be locked
- All new submissions will require IOGC approval

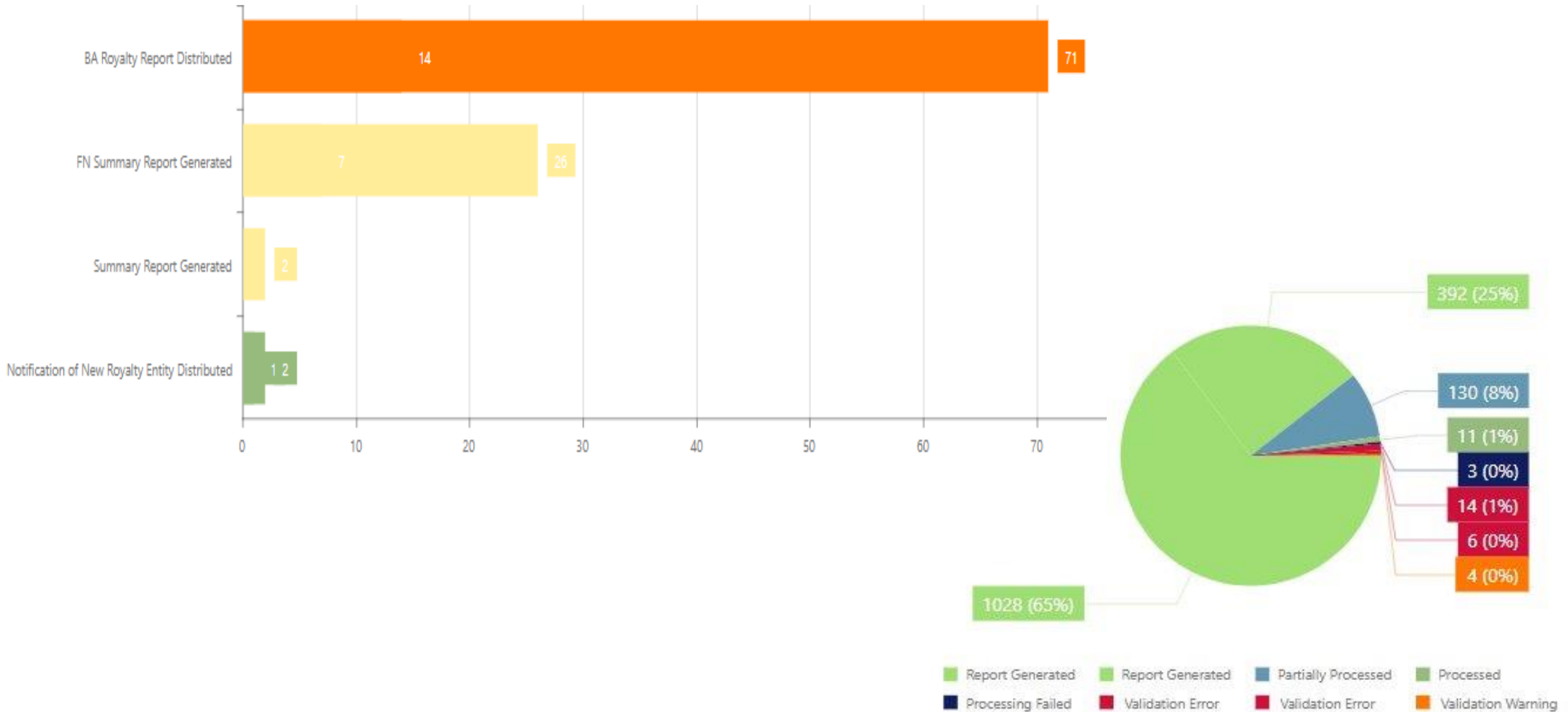
Royalty Module (RM) Inputs

- Gas Pricing – the total Revenue and total Volumes/ Energy sold are inputted, not First Nation share.
- Important: Please check your contracts to determine if sales or reference prices are required (no need to submit sales prices when the reference price is specified).
- If the price is not submitted IOGC, we will use reference price for provisional assessment.

RM Implementation: Internal KPI



RM Implementation: Internal Stats



Royalty Module (RM) Inputs

- Royalty Tax Payor (RTP) – needs to be amended or set - up as soon as possible to ensure the reports are sent to proper party (15th of the month is the cut-off period for the next month's reports)
- New well – linked to the facility as soon as possible to ensure there is no delay in the processing

RM Reports

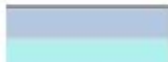
- Summary Reports
- Detail Reports
- New Royalty Entity Number (REN) Notification
- Royalty Statements
- Ensure the BA User Security Administrator (USA) has assigned all IOGC reports to the designated personnel to avoid any delay in receiving the reports and notifications





Royalty Calculation Detail Report

Royalty Payor	Legal Name	Mailing Address	Email Address	Contact Phone
---------------	------------	-----------------	---------------	---------------



Contract	Well Identifier	Product	Calculation Schema	Volume	Price	Effective Royalty Rate	Gross Royalty	Deduction	Net Royalty
		GAS	SK Crown	2.50 10 ³ m ³	\$330.03	0.0000%	\$0.0000	\$0.0000	\$0.00
		GAS	SK Crown	5.60 10 ³ m ³	\$397.37	0.0000%	\$0.0000	\$0.0000	\$0.00
		OIL	SK Crown	11.60 m ³	\$860.00	0.0000%	\$0.0000	\$0.0000	\$0.00
		OIL	SK Crown	26.70 m ³	\$860.00	0.2659%	\$34.5123	\$1.4046	\$33.11
		OIL	SK Crown	61.60 m ³	\$860.00	5.7242%	\$3,032.4734	\$123.4146	\$2,909.06
		OIL	SK Crown	8.30 m ³	\$860.00	0.0000%	\$0.0000	\$0.0000	\$0.00
		OIL	SK Crown	20.90 m ³	\$860.00	0.0000%	\$0.0000	\$0.0000	\$0.00
		OIL	SK Crown	6.10 m ³	\$860.00	0.0000%	\$0.0000	\$0.0000	\$0.00
		OIL	SK Crown	6.90 m ³	\$860.00	0.0000%	\$0.0000	\$0.0000	\$0.00

Contract	Well Identifier	Product	Calculation Schema	Reasons	Net Royalty	Revised Net Royalty	Difference
		GAS	SK Crown	OverFnInterest		\$0.00	\$0.00
		OIL	SK Crown	OverFnInterest		\$55.46	\$55.46
		GAS	SK Crown	OverFnInterest		\$0.00	\$0.00
		GAS	SK Crown	OverFnInterest		\$0.00	\$0.00
		GAS	SK Crown	OverFnInterest		\$0.00	\$0.00
		GAS	SK Crown	OverFnInterest		\$0.00	\$0.00
		GAS	SK Crown	OverFnInterest		\$0.00	\$0.00
		GAS	SK Crown	OverFnInterest		\$0.00	\$0.00
		OIL	Incentive	OverFnInterest		\$1,462.09	\$1,462.09
		OIL	Incentive	OverFnInterest		\$758.63	\$758.63
		OIL	Incentive	OverFnInterest		\$964.28	\$964.28
		OIL	Incentive	OverFnInterest		\$332.92	\$332.92
		OIL	Incentive	OverFnInterest		\$928.32	\$928.32
		OIL	Incentive	OverFnInterest		\$317.92	\$317.92
		GAS	SK Crown	OverFnInterest		\$0.00	\$0.00
		GAS	SK Crown	OverFnInterest		\$0.00	\$0.00
		OIL	Incentive	OverFnInterest		\$1,463.72	\$1,463.72
		OIL	Incentive	OverFnInterest		\$959.24	\$959.24
				AMENDMENT TOTAL:		\$7,242.58	\$7,242.58
				BAND TOTAL:			\$10,184.75
				TOTAL ROYALTY:			\$10,184.75

RM
Detailed Report:
PDF File

Contract		Band:	Period:	Well:	0
Well Information					
Production Month		Well Identifier			
Status Fluid		Status Mode			
Status Structure		Status Type			
Battery Id		Finished Drilling Date			
Contract Information					
Royalty Payor		Legal Name			
Contract		Unit Identifier			
Band Number		Band Name			
Reserve Number		Reserve Name			
Product Information					
Product		Vintage			
First Nations Interest		Royalty Payor Interest			
Royalty Classification		Area Classification			
Production Volume	32.50 m³	Sales Volume			
Hours	720	Sales Price			
Volumetric Heat		Allocation Heat	0.0		
SK Crown Information					
Royalty Schema		Crown Multiplier			
Volume Based On		Price Based On			
IOGR 1995 Reference Price		Fixed Royalty Rate			
Min Royalty Rate		Max Royalty Rate			
Min Frozen Royalty Rate	-	Max Frozen Royalty Rate			
Calculation Details for SK Crown					
Parameter					Value
Price					\$869.51 / m³
Regular Royalty Volume	Regular Volume * Regular Royalty Volume % 32.5 * 1				32.50 m³
CR%	Exception Oil hence ((K - (X / Prod Volume)) - SRC) ((43.99 - 1015 / 32.5) - 0.75)/100				12.01 %
Gross Royalty	Prod Volume * CR% * Price * FN% * RP% 32.5 * 0.1200923076923076923076923077 * 869.509 * 1 * 1				\$3,393.69
Deduction	Deduction is not allowed 0				\$0.00
Net Royalty	Gross Royalty - Deduction				\$3,393.69

RM

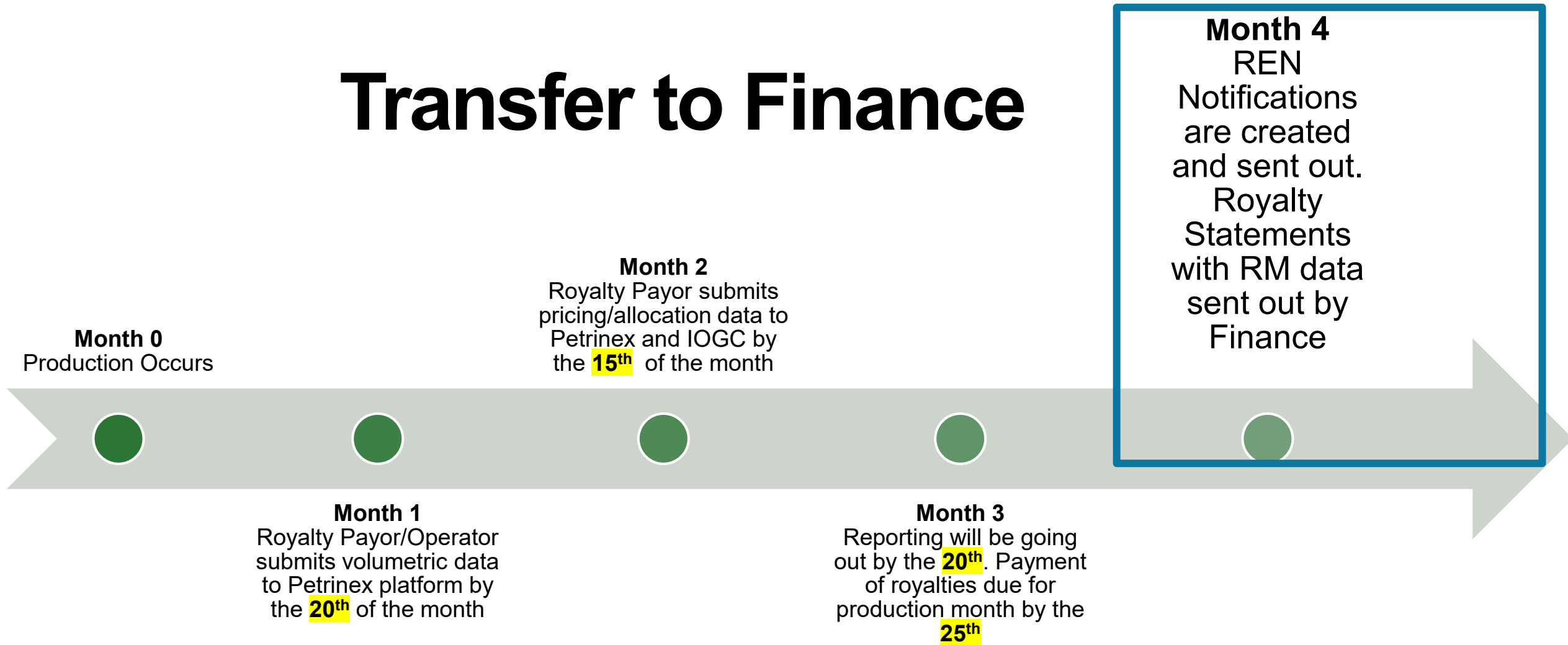
Detailed Report:

PDF File

RM Summary Report: CSV File

Production Month	Unit Identifier	Well Identifier	Status Fluid	Status Mode	Status Structure	Status Type	Battery Id	Finished Drilling Date
2022-06			OIL	ACTIVE	Similar to Reporting for Drain wells	PRODUCING	SKBT	
2022-06			OIL	ACTIVE	Similar to Reporting for Drain wells	PRODUCING	SKBT	
2022-06			OIL	ACTIVE	Similar to Reporting for Drain wells	PRODUCING	SKBT	
2022-06			OIL	ACTIVE	Similar to Reporting for Drain wells	PRODUCING	SKBT	
2022-06			OIL	ACTIVE	Similar to Reporting for Drain wells	PRODUCING	SKBT	
2022-06			OIL	ACTIVE	Similar to Reporting for Drain wells	PRODUCING	SKBT	
2022-06			OIL	ACTIVE	Similar to Reporting for Drain wells	PRODUCING	SKBT	
2022-06			OIL	ACTIVE	REPORTING	PRODUCING	SKBT	
2022-06			OIL	ACTIVE	REPORTING	PRODUCING	SKBT	
2022-06			OIL	SUSPENDED	Similar to Reporting for Drain wells	PRODUCING	SKBT	
2022-06			OIL	SUSPENDED	Similar to Reporting for Drain wells	PRODUCING	SKBT	
2022-06			OIL	SUSPENDED	Similar to Reporting for Drain wells	PRODUCING	SKBT	

Transfer to Finance





Government
of Canada

Gouvernement
du Canada

Indian Oil and Gas Canada
Pétrole et gaz des Indiens du Canada

PROTECTED-B

Notification of New Royalty Entity

Royalty Payor: XXXX

Legal Name: XXXX

Mailing Address: 123 Main St, Calgary AB. A1B2C3

Email Address: XXXX@company.com

Contact Phone: 403-999-9999

Royalty Payor,

This notification is to inform you that a **NEW** Royalty Entity Number (REN) has been setup for the following well. Effective DD-MM-YYYY.

REN	Well	Lease Number	Company Working Interest	Indian Interest	Royalty Payor Interest
IO24000	01/01-22-001W2/00	CL-0075	50%	50%	25%

Thank you,

Indian Oil and Gas Canada

New REN Notifications

Royalty Statements



Government
of Canada

Gouvernement
du Canada

PROTECTED-B

Indian Oil and Gas Canada / Pétrole et gaz des Indiens du Canada Royalty Statement

Royalty Payor

Assessed Royalty Entities

Statement Number:

Statement Created:

Statement Due Date:

Statement Period: 01-Aug-2024 to 31-Aug-2024

Band:

Page 2 of 2

Amount Due for
REN/PP
(Overpayment)

Production Period	REN	Transaction Description	Received Date	Processed Date	Net Royalty	Payment Amount
2024 MAY		Payment Received Assessed	04-JUL-2024	22-JUL-2024 13-SEP-2024		

* Make Cheque or money order payable to
Receiver General for Canada
c/o Indian Oil and Gas Canada
Suite 100 9911 Chila Boulevard
Tsuu T'ina, AB T3T 0E1

Further information can be found on IOGC's website: www.iogc.gc.ca
Direct inquiries to contactiogc@sac-isc.gc.ca

Statement Summary	
Total Overdue:	\$0.00
Total Overpayment:	
Total Overpayment:	

If the overpayment is less than 50% of next month's net royalties the overpayment may be deducted from next month's submission. Otherwise please contact the Royalty team at royalty@sac-isc.gc.ca

First Nation Summary Report: PDF File



Government
of Canada

Gouvernement
du Canada

Indian Oil and Gas Canada
Pétrole et gaz des Indiens du Canada

PROTECTED-B

First Nation Client Royalty Summary Report

BAND:

LEGAL NAME - I LTD.

PRODUCTION PERIOD - 2024-02

Contract	Contract Status	Well Identifier	Well Status	Product	Deduction	Net Royalty
OL-	Active		ACTIVE	Oil	\$0.00	\$627.16
OL-	Active		ACTIVE	Oil	\$0.00	\$605.76
			PRODUCTION PERIOD TOTAL:		\$0.00	\$1,232.92
TOTAL:						\$1,232.92
GRAND TOTAL:						\$1,232.92

Updates

Gas Cost Allowance (GCA) Team



Gas Cost Allowance (GCA)

Avoid Complications With Regular Submissions

- GCA 1s - Ensure timely submissions for new set-ups and/or changes to Operator, Working Interest Owners, Related Facilities (gas flow) and/or Well Linkages of existing Facility Cost Centre's. Petrinex sends a notification to BAs to inform them of changes that may have an IOGC GCA obligation.
- Please ensure the status of the GCA forms has been changed from "Open" to "Submitted". It has not been submitted to IOGC for processing until this status has changed and submit button hit.
- Rates do not automatically transfer from one BA to another. Must submit all corresponding GCA 1s to ensure the change.

Reminder: You have 30 days to report new facilities or make changes to existing FCC's before it will affect the period the GCA rate will be applicable.

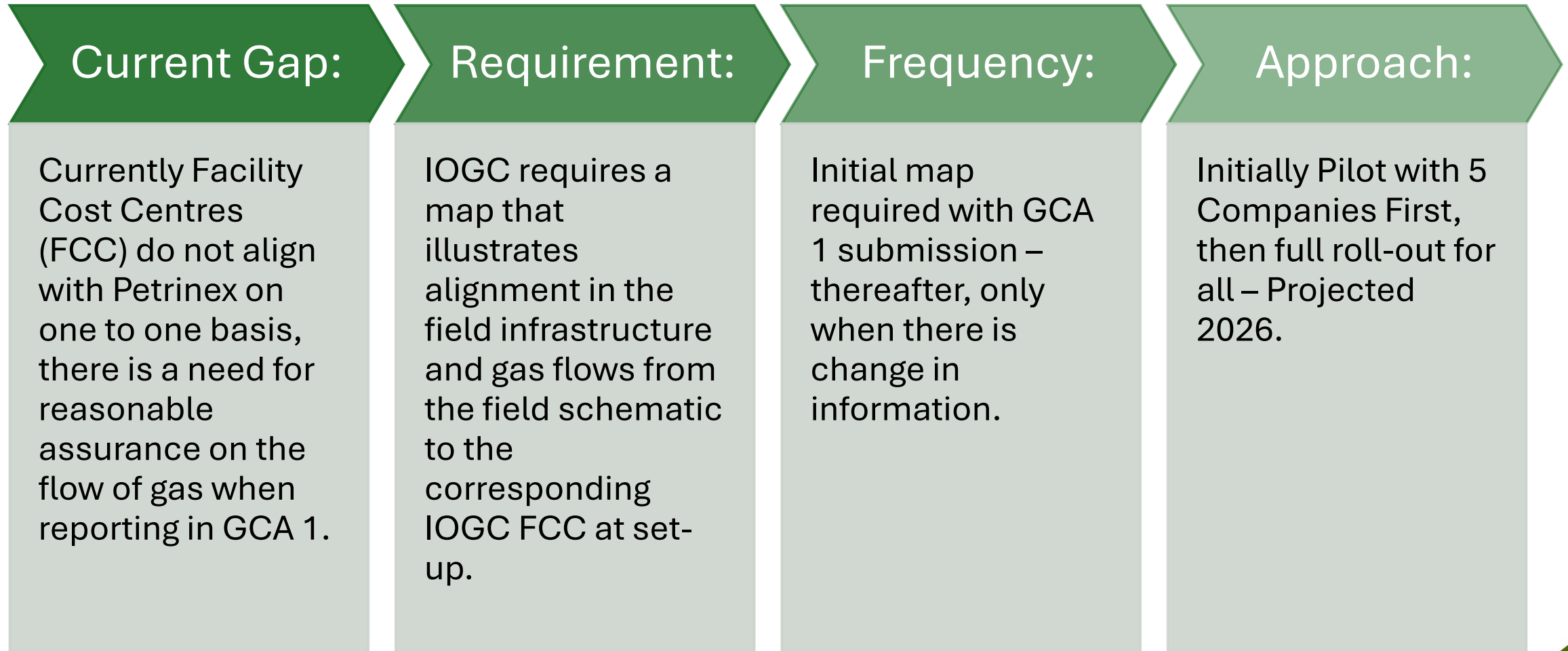
Gas Cost Allowance (GCA)

- If you are a Working Interest Owner (WIO) in a non-operated FCC, it is your responsibility to work with the Operator of that Facility to ensure they have listed you as WIO, or you will not receive a rate for this facility.
- If you are entitled to a Custom Processing Fee (CPF) for an FCC, (and you are not a WIO), you need to ensure the Operator has submitted a GCA 1 for the FCC. This will allow you to generate a GCA 2 for the FCC and to submit the rate as per the contract agreement.
- When calculating volumes please ensure all volumes utilizing the FCC for the entire year, are reported. Regardless, of the effective date of the FCC.

Gas Cost Allowance (GCA)

- For allowable capital and operating costs, refer to the Royalty Reporting Guidelines – GCA Section. If the costs are not listed as an allowable cost, they are considered non-allowable.
- Capital additions for replacements will require the original capital to be retired. If you do not know the original cost submitted as per the AFE, you must retire 50% of the new capital.
- In case of a "rejection" status, please re-submit within 10 days, as per Petrinex standards.
- Please terminate all FCCs no longer required by December 31, 2025.

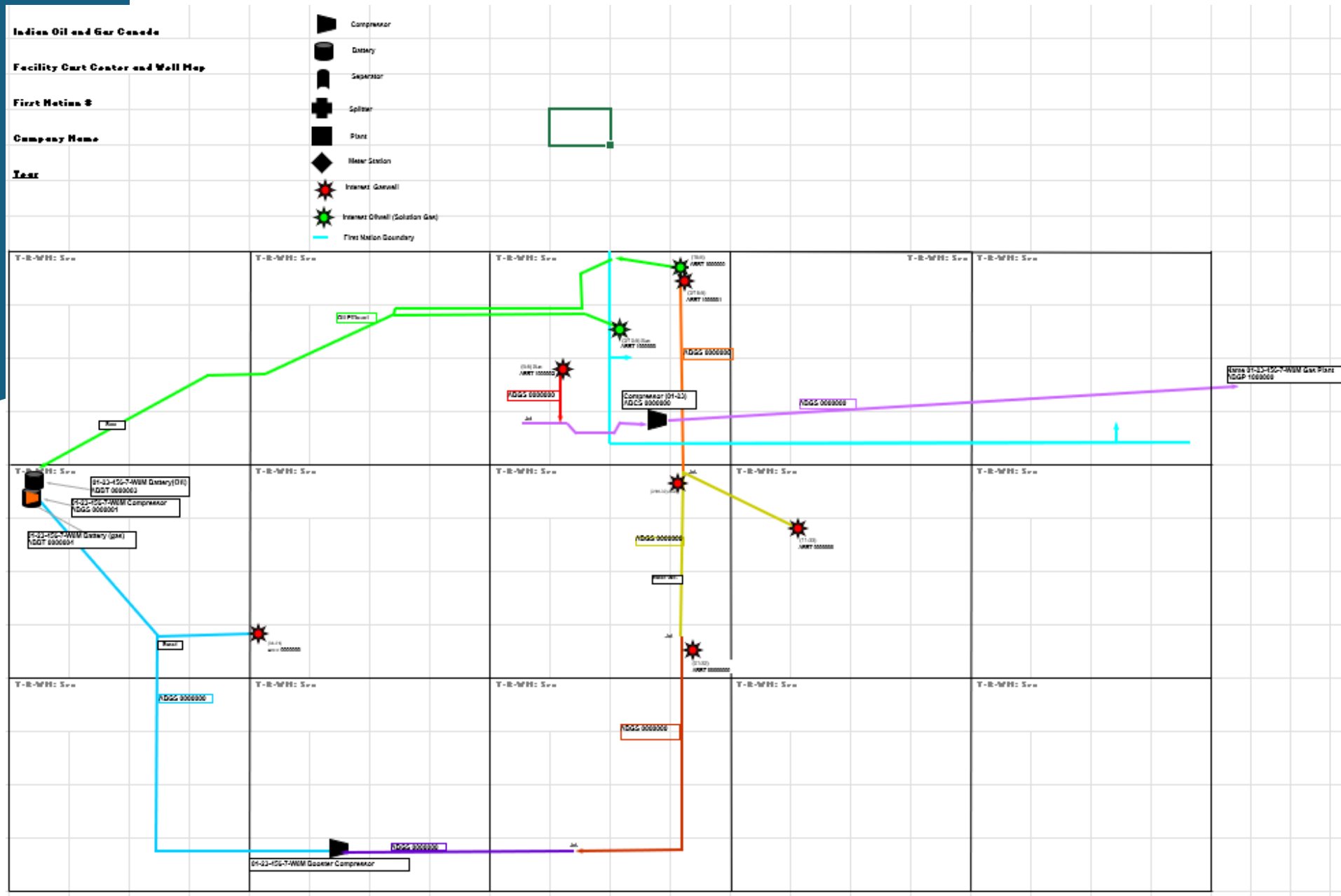
Initiative: Operational Gas Facility Mapping



Gas Facility Map: Requirements

Well	location
	surface loc
	Type
	battery number
	tie-in loc to GGS as per AFE
	Well status
	Working Interest Ownership
Battery	Location
	Wells reported
Gathering System	To and From Location
	FCC name & ID as per IOGC set-up & AFE
	Type
	Working Interest Ownership
Seperator	location
	gathering system in which the capital has been claimed as per AFE
Compressor Station	Location
	FCC name & ID as per IOGC set-up & AFE
	Working Interest Ownership
Plant	location
	FCC name & ID as per IOGC set-up & AFE
	Working Interest Ownership
Splitters	location
Meter Stations	location

Sample Map



A photograph of two people, a woman and a man, in a professional setting. The woman is on the left, looking towards the right. The man is on the right, wearing glasses and gesturing with his hands while looking at a wall covered with papers or a whiteboard. The background is slightly blurred, showing other people in the distance.

What Else Is New

Updates From Other IOGC Units



Awareness and Updates

- Reminders from Finance – Payment Submissions
- Policy Team – Regulatory Updates
- IT Project Management – Future Process Tweaks

Royalty Payments and Financial Statements

- IOGC requires the Royalty Statement as backup when a company wants to reallocate separate from the payment
- Finance still requires a Remittance Advice or a Lease schedule as backup
- Email iogcfinance@sac-isc.gc.ca with the backup
- Refrain from sending paper copies of Remittance advices – send through email
- IOGC is automating the REN creation process and is working to resolve some issues that have been brought forward
- IOGC is encouraging Payors to get on EFT(Electronic Funds Transfer) – Let us know
- IOGC is working on a solution for emailing Land Statements – we are exploring our options – using Petrinex is one option similarly how you currently receive the Royalty Statements.
- Invoice and Reminders letters will be coming soon to Lease holders/Payors
- IOGC is creating Contract Holder statements, so you are aware of your obligations

Royalty Update

Regulatory Updates	Summary
Phase 2 Amendment to <i>Indian Oil and Gas Regulations 2019</i> Currently underway, consultation draft anticipated in late 2025 Proposed Regulatory Amendments: Environment, Surface Contracts, Pipeline Closure and Continuous Improvements	<u>Environment</u> • Environmental Protection and Mitigation rules • Remediation Action Plan requirements • Timelines for environmental audits, liability reduction, and for reclamation applications <u>Surface Contracts</u> • Streamlined Rent review process • Requirements for contract amendments <u>Pipeline Closure</u> • Timelines for pipeline closure • Required collaboration with First Nations for closure plans to consider future land use planning <u>Continuous Improvements</u> • Updates to the regulations to close gaps, add clarity, or modernize provisions such as the incorporation of digital signatures

IOGC can provide additional information or give a presentation specific to amendments to Regulations.
Contact: IOGCpolicy@sac-isc.gc.ca

Key Contacts

- Petrinex Help Desk Inquiries: petrinexsupport@petrinex.ca
 - Support Access to Volumetric Data Inputs
 - Phone Support: 403-297-6111 (Calgary); 1-800-992-1144 (other locations)
 - Self-Serve: Training, Bulletins
- Royalty Related Inquiries: Royalty@sac-isc.gc.ca
 - Calculation Questions
 - Contract Clauses
- IOGC Finance Inquiries: iogcfinance@sac-isc.gc.ca
 - Remittance Advices
 - Payment Allocations – EFT Process
 - Payment Process/ Royalty Statement Delivery
- GCA Related Inquiries: deductionpourfraisdegaz-gascostallowance@sac-isc.gc.ca
 - IOGC GCA Guideline Copy Request/ Interpretations
 - Eligible Costs
 - Rate confirmations – Self-serve in Petrinex – GCA Portal

Thank You!

