The Petroleum Registry of Alberta news
Energizing the flow of information

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INDUSTRY SUPPORT FOR PIPELINE SPLITS

Earlier this month producer support for the Registry's pipeline split functionality was demonstrated in a very strong, unified and tangible way. The Industry Benefits Committee (IBC), a subcommittee of the CAPP Accounting Committee (with SEPAC participation), has been promoting the opportunity to standardize the split process between pipelines and their customers through the use of the Registry.

On May 2, the IBC sent a letter to 22 pipeline companies underlining producers' support for the Registry pipeline split approach and requesting that pipeline operators cooperate in adopting the process. The letter also requests that pipeline operators identify a contact within their organization to meet with the IBC and the Registry's Industry Readiness Team to discuss use of the Registry's pipeline split functionality, as soon as possible.

Signed by David Daly (CAPP's Manager, Fiscal Policy) on behalf of the IBC, CAPP and SEPAC, the letter was further endorsed by 17 senior industry executives. Most of these executives were from the senior manager/VP Marketing level of each organization, all primary customers of the pipeline companies.

Anyone interested in reviewing this letter should contact IBC co-chair Dale Ham at (403) 237-1018 or email dham@talisman-energy.com.

The IBC was formed with the mandate to ensure the benefits of the Registry's Industry-to-Industry functionality are fully achieved, and to promote a collaborative approach to implementing the Registry.

CALLING ALL PRODUCTION ACCOUNTING SERVICE PROVIDERS

The Registry's Industry Readiness Team (IRT) recognizes the key role Production Accounting Service Providers will play in getting Industry ready for the Registry. The IRT is calling on your cooperation and support in a number of areas:

Training: The IRT is encouraging all Production Accounting Service Providers to sign up for Registry training, if they haven't already done so. This will allow them to better serve their clients as the Registry moves to, and beyond, implementation.

Communication: Production Accounting Service Providers are acting as *Change Leaders* for a number of companies. Their clients rely on them for handling the changes in Production Accounting created by the Registry and other changes resulting from new EUB and DOE rules. If you are a Production Accounting Service Provider-*Change Leader* please keep in mind that client companies may also require information on non-PA related

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changes. These changes could include, but are not limited to:

- reporting of fuel/flared/vented volumes.
- operator responsibility for National Energy Board (NEB) regulated and other non-reporting facilities.
- reporting of in-stream components (ISC) and the effect the ISC will ultimately have on gas royalty rates.
- process changes involved with well status change, and;
- other infrastructure set-up requirements.

We encourage you to discuss these changes with your clients, even if these changes don't directly impact the services you are currently providing.

Readiness Tracking: The IRT keeps detailed records of operating production companies. Among other things, it tracks which companies have identified *Change Leaders*, which have signed up for training, what calls have been placed to the information line, etc. All of this is being done in an effort to ensure all companies are aware of, and prepared for, Registry implementation. As a Production Accounting Service Provider, you can help the IRT by letting us know which companies you are working with. Knowing that a "Registry-ready" service provider is working with a given company will let us know that company is in good shape in preparing for the Registry. This information is confidential and only used internally for the purposes described above.

CHANGE LEADERS: UPDATE

The end of April saw another successful set of *Change Leader* meetings. Close to 250 *Change Leaders* took part in the sessions, which focused on Readiness Measurement and Planning, Hot Topics, Implementation and Training. Overall, the attitude towards the material was positive (an average score of 8.5 out of 10 for clarity and usefulness) as *Change Leaders* delve deeper into the elements that will ensure their company is proactive in preparing for implementation of the Registry.

There were many questions asked of the Registry team over the two days of sessions. Listed below are a few of the questions that we believe all stakeholders should be aware of.

Q - Can I test my company information/process with the Registry before we go live?

A - The Registry is prepared to test batch files that are generated from Industry production accounting systems in XML format. The purpose of this testing is to ensure that industry's production accounting systems satisfy the new reporting requirements of the Registry. We believe that this objective can be accomplished with a select subset of an individual company's operated properties. There is no need for a company to test all their properties. In some cases, software vendors may be able to accomplish this testing on behalf of their client base. For more information, please call the Registry information line at (403) 297-6111

Q - What is going to happen when all Production Accountants in Calgary try to submit batch uploads on the last day prior to EUB extract?

A - The Registry's Industry Readiness Team is encouraging multi-batching to help prevent system over-load and to provide PA's with more time to correct errors, etc. However, even though the system was designed for the worst-case scenario, if the scenario above occurs, it may mean slower response time and, therefore, more time will be required as batches wait in the queue. The system will be stress tested prior to going live, so, we know how it will perform after this testing has been completed.

Q - Who is responsible for inputting volumes, energy and In-stream Components (ISCs) for facilities that are connected to NEB regulated pipelines if that pipeline company does not provide the information to the Registry to input receipt info?

A - The operator of the delivering facility will be required to input the information as DISP (dispositions) into the Registry.

The next set of *Change Leader* sessions are scheduled for some time in June. More information about these sessions will be posted in the Registry Newsletter and on our web site.

ONLINE INDUSTRY TRAINING

The Industry Readiness Team is pleased to announce the following Training System developments.

Starter Package – A number of the Industry training modules in the Starter Package are now available online. These modules include, the Registry and Training System Overviews, as well as modules on "How to Set Up User Accounts in the Registry".

Training modules for "Non-operating Royalty Payers" are targeted for release in July. Any individual with

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an interest in the Registry is invited to apply for access to this free Starter Package by using the form available in the Training Section of the Registry website. (www.petroleumregistry.gov.ab.ca)

Comprehensive Package – Access to this package requires payment of a fee, which will be used to reimburse CAPP the funds it loaned the project to develop the Registry training packages. All Business Associate (BA) companies or individuals who have paid their portion of the system development costs have already been set up with User IDs and Passwords. The Comprehensive Package includes all the modules from the Starter Package plus three additional series:

Manage Infrastructure Reporting - 9 modules;
Manage Monthly Reporting - 12 modules; and,
Use Common Functions - 5 modules.

To gain earlier delivery of the modules and assist in planning the training for various groups, the Training Team has split most modules into two parts:

Part A – Knowledge – what has changed, how it will work in the Registry, an overview of how the data will be entered online and evaluation quizzes.

Part B – Practical – step-by-step procedures, hands-on practice with simulated Registry screens and evaluation exercises.

The following targets are the last dates that modules will be available – many modules will be available earlier and they will be released in logically grouped increments as completed. The Infrastructure Series (Part A) and the Monthly Reporting Series (Part A) will be available by mid-June. The Common Functions Series (Part A) are targeted for the end of June.

Part B – Practical portions, will be released when the construction and system testing is complete. Most of the modules will be available by the end of July with all modules targeted for completion by mid-August.

INDUSTRY TRAINING – COST RECOVERY

Industry's response to training funding has been very positive as evidenced by the payments of the Registry training invoices, which were mailed out last month. Since that time, more than $550,000 has been received, putting this initiative well on track towards its final requirements.

"I am very encouraged with Industry's support of the Registry's Comprehensive Training Package," says Ross Weaver, Industry Readiness Project Manager. "In fact, Industry's support of the whole training initiative has been stellar. Over 60 industry volunteers have stepped forward and are reviewing draft training modules as they are developed by the Training Team".

The Registry team would like to thank all those who responded so promptly to the invoice. Companies that have not paid are reminded that the Comprehensive Training Package is highly recommended for preparing for Registry implementation.

SPEED OF THE INTERNET

With over 100,000 wells reporting to the Registry every month, some have questioned if the new system can handle this information, and the additional data, that will be submitted to the database each month. The answer is…Yes! The Registry has been designed to handle all expected traffic to the database, with contingency built in for increased volume in the future. In addition to this, there will actually be two internet access lines going to the Registry with automatic fail-over to ensure that if one line goes down, the other will continue to provide access to the Registry.

The real factor in submitting and retrieving data from the Registry will be the speed and reliability of stakeholders' Internet connection. The slower the Internet connection used by a stakeholder, the longer it will take for stakeholders to retrieve and submit data. The Registry itself can send out or accept data as fast as stakeholders' Internet connection can handle it.

In the days leading up to implementation, stakeholders may wish to study the capacity of their Internet connectivity and determine if it can handle their interaction with the Registry. A faster connection may help stakeholders achieve more of the benefits available in using the Registry.

ENERGY AND UTILITIES BOARD

Implementation of the Registry means changes to how Industry will report to the Energy and Utilities Board (EUB). These changes have been outlined in a EUB Interim Directive that will be sent out to stakeholders this month. The Directive touches on such subjects such as elimination of "S" reports, Well Status Changes, New/Changed Reporting Requirements, and Non-Compliance Fees.

The Registry team has informed stakeholders about many of the changes that will be brought about by implementation. To ensure that stakeholders receive notice of the changes outlined in the Directive, we will include these topics in up-coming issues of the Registry newsletter.

Non-compliance fees

Implementation will see non-compliance fees expanded to include all volumetric data submitted to the Registry. A notification will go out to stakeholders two business days prior to the EUB extracting volumetric data from the Registry. At the time of extraction, any volumetric submissions in error, or missing, will be subject to a non-compliance fee. This includes:

Missing facility - $500
Missing well - $100
Out of balance errors (oil and condensate) - $100
Metering difference (gas and water)
20% or over - $100

After the Registry is up and running, there will be a six-month grace period for non-compliance fees. Non-collectable invoices will be issued during the grace period to assist operators in identifying areas of concern.

Stakeholders will also retrieve the EUB "Volumetric Detail" invoices through the Registry. All other EUB invoice and statement of accounts will continue to be mailed.

ROYALTY PAYERS ONLY

How to use the Registry

Web based training modules are being developed to help stakeholders learn how to use the Petroleum Registry of Alberta. Royalty payers will be able to access the free "Starter" training package, which is available through the Registry web site (www.petroleumregistry.gov.ab.ca). A special module is being developed and will be available by mid-July, targeted to those companies and individuals that are exclusively non-operators (what we call "Royalty Payers Only").

If you are a "Royalty Payer Only", and are wondering how the Registry will affect you, check out the Registry website, and stay tuned…we have training and communications being prepared…just for you!

PLEASE NOTE!! Some "Royalty Payer Only" companies may wish to receive the full Comprehensive Training Package. Please contact the Registry offices to arrange for invoicing and registration.

The Petroleum Registry of Alberta is a joint strategic initiative of the Alberta Ministry of Energy and the oil and gas industry of Alberta.

To add your name to our electronic distribution list, please contact us at:

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To submit comments or questions about the Petroleum Registry of Alberta check out our web site at: www.petroleumregistry.gov.ab.ca

Or call our information lines at:

(403) 297-6111 (Calgary)
1-800-992-1144 (other locations)