

Services aux Autochtones Canada

Indian Oil and Gas Canada

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Reminder Letter

Filing of 2019 Actual and 2020 Estimated Gas Cost Allowance Applications

Please Note: Indian Oil and Gas Canada (IOGC) 2019 Gas Cost Allowance (GCA) filing deadline is May 31, 2020.

All IOGC GCA applications are to be submitted through the Petrinex-IOGC GCA module.

You are encouraged to submit your GCA application as early as possible, but note that it must be received no later than the deadline of May 31, 2020. IOGC – 2019 GCA applications have been available to submit in Petrinex effective February 2020.

If IOGC does not receive a submitted application by the May 31, 2020 deadline, no GCA deduction will be processed for 2019 royalties.

IOGC recognizes that since our earlier communication on 2019 GCA applications, we are all operating in an evolving work environment. If there are extraordinary circumstances that will delay your IOGC GCA application(s), you must request in writing an extension from IOGC a minimum of 10 calendar days i.e. May 21, 2020 before May 31, 2020. Please send your request for an extension (along with your reason for the delay) with GCA Deadline Extension Request in the subject line to aandc@canada.ca or fax to 403-292-5618. It is the applicant's responsibility to ensure receipt of approval for an extension from IOGC on or before May 27, 2020, or a zero rate will be approved if no submission is received by May 31, 2020.

IOGC requires all mandatory fields in the respective GCA1, GCA2 and GCA3 forms to be fully completed with attachments as required to process your submissions in Petrinex. The following information is required:

Field/metering schematics as attachments to the GCA1;

• Operating Costs Detailed General Ledger Listing as an attachment to the

(Full-cost FCC's): GCA3;

Operating Allowance No Operating cost details required;
 (Capital based FCC's):

Capital Additions: Detailed AFE's and all AFE Copies, General Ledger Listing;

• **Custom Processing Fee:** A copy of the Agreement or changes to the existing Agreement. Please note a custom processing fee is **only** applicable for non-owned facilities.

IOGC requires this information to accurately process your application in a timely manner. If the above information is not included with your 2019 GCA application, your submission will be rejected and you will be allowed up to 10 working days to resubmit. IOGC will reject submissions for costs that are considered to be questionable.

Types of costs **not** to be included in your GCA application are:

- Accruals for operating and capital costs;
- 13th month throughput adjustments (CO&O agreements);
- Costs related to oil production;
- Well site and downhole related costs;
- All non-allowable capital and operating costs detailed in IOGC Gas Cost Allowance Guidelines;
- Costs for prior reporting and/or production periods.

Please note that IOGC effective February 2019 no longer provides electronic worksheets for any GCA applications. These are available in Petrinex's IOGC-GCA module.

Please note you have the ability, when submitting your GCA 3's, to either select your 2020 estimate rate as calculated with the default "Escalation Rate" (check box) or change the escalation rate percentage to reflect changes in the field you are aware of.

Reminder for all facilities effective February 2019, please ensure you have submitted the required GCA forms (GCA1 and/or GCA2 where applicable) in the Petrinex IOGC Module within 30 days from the start of production. Petrinex will not allow facilities to have the effective date earlier than one month prior to the date submitted. For all estimates a GCA3 submission will be required.

Please contact the GCA team by sending an email to aadnc.gca.aandc@canada.ca regarding any GCA related questions.

Yours truly, IOGC – GCA Team, Royalty aadnc.gca.aandc@canada.ca