



Government
of Canada

Gouvernement
du Canada

Indian Oil and Gas Canada

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Information Letter

Filing of 2020 Actual and 2021 Estimated Gas Cost Allowance Applications

Please Note: Indian Oil and Gas Canada (IOGC) 2020 Gas Cost Allowance (GCA) filing deadline is May 31, 2021.

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, 2021. IOGC – 2020 GCA applications will be available to submit in Petrinex effective February 5, 2021. For applications not submitted in Petrinex by the May 31, 2021 deadline, no GCA deduction will be processed for 2020 IOGC royalties.

If there are extraordinary circumstances that delay your GCA submission, a written request for an extension from IOGC must be submitted for approval a minimum of 10 calendar days before May 31, 2021. Please send your request for an extension (with your reason for the delay) with GCA Deadline Extension Request in the subject line to aadnc.gca.aandc@canada.ca or fax to 403-292-5618. The Applicant is responsible to ensure receipt of approval for an extension from IOGC on or before May 25, 2021, or a zero rate will be approved if no submission is received by May 31, 2021.

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 will be required:

Form	Field	Required Information
GCA 1	as applicable	Review the following for all required updates: <ul style="list-style-type: none"> • related facilities, • swing percent (%), • ownership, • well event links, and • Field/metering schematics (these must be attached).
GCA 2 Custom Processing Fee	as applicable	<ul style="list-style-type: none"> • A copy of the executed agreement or changes to the existing agreement. • Where there is a change in operator, a “Notice of Assignment” must be provided until a new executed agreement is available. • Supporting documentation e.g. billing/invoices. <p>Please note a custom processing fee is only allowable for <u>non-owned facilities.</u></p>



GCA 3	Outlet Volume	<ul style="list-style-type: none"> Volumetric supporting documentation is required if different than displayed Petrinex Volume.
	Operating Costs (Full-cost) Facility Cost Centres (FCC)	<ul style="list-style-type: none"> Detailed General Ledger (GL) and other supporting documents (e.g. invoices) must be attached.
	Operating Allowance (Capital based) FCC's	<ul style="list-style-type: none"> No operating cost details are required.
	Capital Additions	<ul style="list-style-type: none"> Detailed Authorization For Expenditures (AFE) and all AFE Copies, General Ledger (GL) and other supporting documents (e.g., invoices) must be attached.

This information must be submitted for IOGC to accurately process your application. If the above information is not included with your 2020 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.

Costs that are operating in nature must not be included in capital additions; capital additions for replacement assets must reflect corresponding retirement book value. Further details can be found in the IOGC – GCA section of the Royalty reporting guidelines.

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

- Accruals for operating and capital costs
- 13th month throughput adjustments (construction, ownership & operation (CO&O) agreements);
- Costs related to oil production
- Well site and downhole related costs
- All non-allowable capital and operating costs detailed in the IOGC - GCA section of the Royalty reporting guidelines
- Costs for prior reporting and/or production periods

Reminder: please ensure you have submitted the required GCA forms (**GCA1 and/or GCA2 where applicable**) for all facilities 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 submission date. For all estimates a GCA3 submission is required.

For all Petrinex functionality queries please contact the Petrinex Business Desk by email to petrinexsupport@petrinex.ca .

For all IOGC – GCA policy related queries please contact the GCA team by sending an email to aadnc.gca.aandc@canada.ca .

Yours truly,

IOGC – GCA Team, Royalty

