

Volumetrics/Valuation – PURREC at Waste Plant and Custom Treater and Limitation of 'WO'

Jurisdiction	Release/Revision Date	Location of Change in this Document	Comment
SK	January 28, 2020		Update on Waste Oil 'WO' functionality
SK	September 4, 2019		Update to include PURDISP for imbalance (IMBAL) formula for Waste Plants
SK	July 9, 2019		Update to show that all the fixes to the functionality have been fixed. A table was added to show which facilities can report PURREC.
SK	June 4, 2019		Update on fix implementation date for reporting purchased oil at a custom treater and/or waste plant.
SK	May 30, 2019		Update on fix implementation date and no penalty period for known issues
SK	March 28, 2019		PURREC/PURDISP causes imbalance at GP
SK	March 21, 2019		Update on fix implementation date and no penalty period for known issues
SK	February 21, 2019		Clarification on use of PURREC
SK	February 2019		Initial Release

Audience: All Saskatchewan Users

Purpose: To inform Industry that as of January 2019 production month;

- Operators must use Purchase Receipt (PURREC) at a Waste Plant (WP) and Custom Treater (CT) to report purchased oil volumes only when the operator of the waste plant or custom treater purchases the oil, see Table 1.

- Volume Requiring Split (VRS) will no longer be triggered by a receipt (REC) of OIL at a WP, see Table 1; and
- Royalty Tax Payers (RTP) will no longer need to eliminate oil valuation reporting by submitting Waste Oil (WO) into the owner contract field in pipeline split functionality for transactions within Saskatchewan.
- PURREC/PURDISP is applicable to transactions within Saskatchewan. If oil is shipped to an out of province waste plant and the RTP is not paid for the oil portion then, a waste oil code (WO) is to be used. Refer to Petrinex Tip: [Pipeline Splits/Oil Valuation – Allow Waste Oil code “WO” to be Used for Custody Transfer Point when Waste Plant is Out-of-Province](#)

- Background:** Effective January 2019 production month (201901),
- RTP will no longer be able to submit the ‘WO’ in the pipeline split “owner contract” field to stop generation of the oil valuation record for in province transaction
 - A receipt (REC) at a WP facility subtype 701 (Surface Waste Facility, 702 (Cavern Waste Plant) or 703 (Oil By-Product Storage Structure) will no longer generate a VRS for transactions within Saskatchewan.
 - Operators of CT and WP must enter a PURREC when oil has been purchased at the CT or a credit is received for the oil at the WP to trigger oil valuation. The new functionality will allow operators to distinguish between purchased oil and non-purchased oil. This new functionality of PURREC will only be able to be used going forward.

To report purchased oil at a custom treater, the operator of the custom treater will enter a PURREC at the custom treater for the amount of oil (OIL) purchased only when the operator of the custom treater purchases the oil. For the water portion of received volume, the operator at the custom treater will enter a REC which will auto-populate a DISP at the delivering facility. A PURREC at a custom treater will auto-populate a PURDISP at the delivering facility. PURREC cannot be submitted for any other products other than OIL at a custom treater. Once the operator of the custom treater purchases the oil (i.e. uses a PURREC) then they are responsible for any downstream volume requiring split (VRS) records. The operator of the custom treater will NOT cascade the volumes to the originating facility see examples 1, 2 and 4.

To report purchased oil at a waste plant, the waste plant operator in Saskatchewan will enter a PURREC for OIL, WATER and/or SOLIDS only when the operator of the waste plant purchases the oil (i.e. a credit is received). A PURREC cannot be submitted for GAS. The delivering facility will receive an auto-populated PURDISP record for the OIL and an auto-populated DISP record for the WATER and SAND (the solid type “sand” auto populates to at a delivering facility). All waste codes that currently allow the reporting of a REC of OIL will also be able to report a PURREC. Also the dangerous and non-

dangerous fluids flag will work as normal with PURREC. See examples 5 and 7. If the waste plant does not purchase the oil (i.e. does apply a credit to the delivering facility for the waste oil received) then the waste plant operator will submit a REC of OIL, WATER, and/or SOLIDS which will auto-populate a DISP at the delivering facility. The delivering facility does not need to submit any pipeline split and oil valuation for the REC of OIL as it has not triggered a volume requiring split.

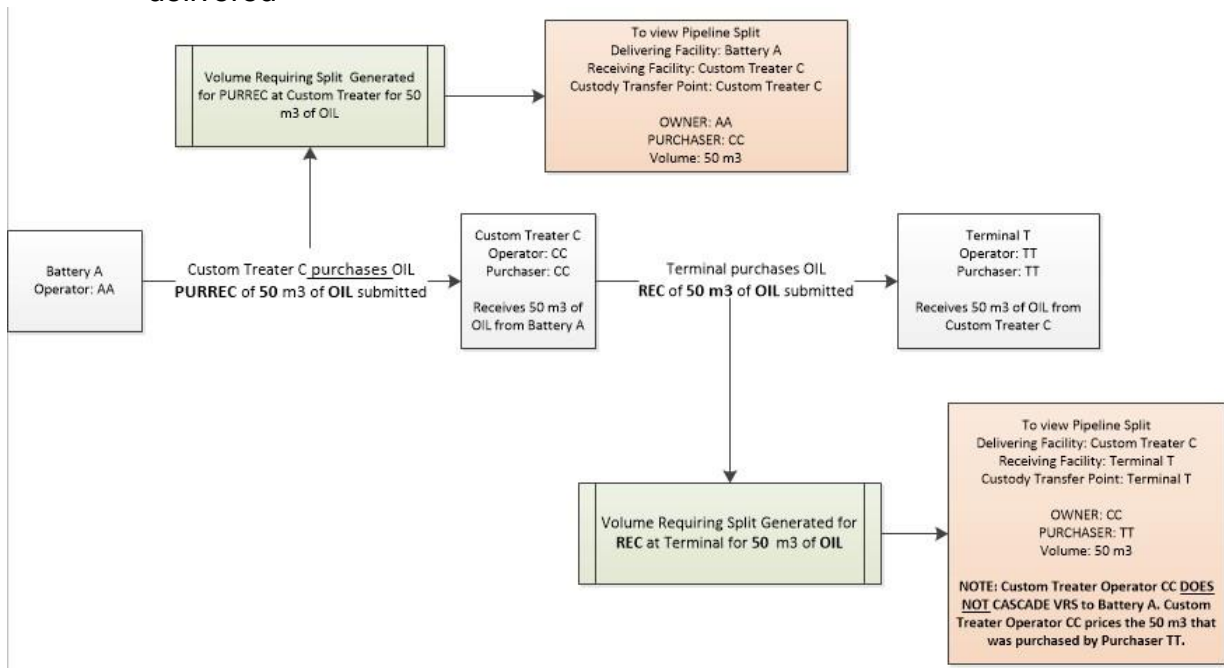
Once a PURREC is submitted at a Custom Treater or Waste Plant, a pipeline split record will be created for the OIL portion. If a REC is submitted at a Custom Treater or Waste Plant it will no longer trigger a pipeline split. PURREC functionality will still be available to be used for purchased oil between batteries.

If the oil is **not** purchased by the CT or WP, activity of “REC” is submitted at the WP or CT see example 2 and example 6.

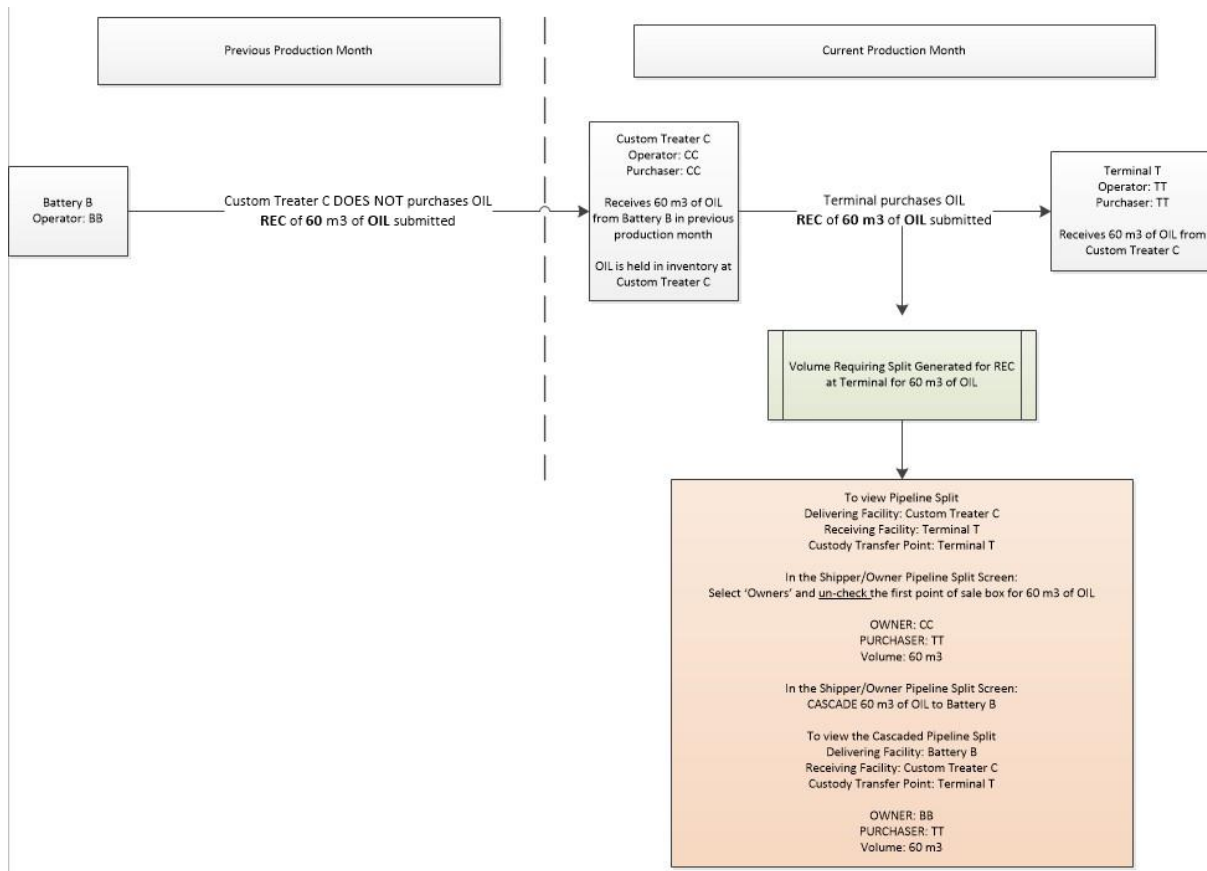
Below are examples of how to submit volumetric and pipeline split information.

Important: We have included a section on known issues and how these will be handled after these examples.

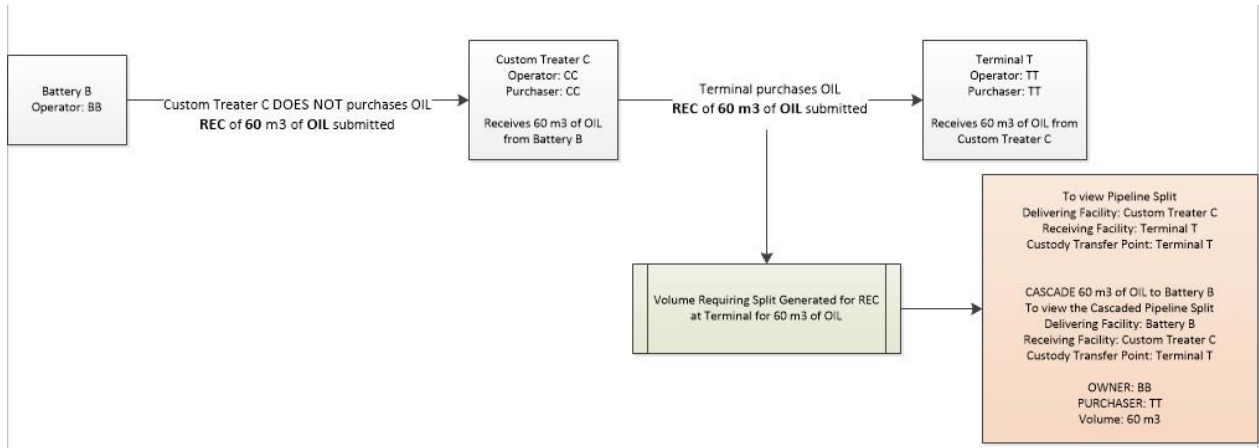
Example 1: Oil is purchased by the operator of the custom treater in the same month as delivered



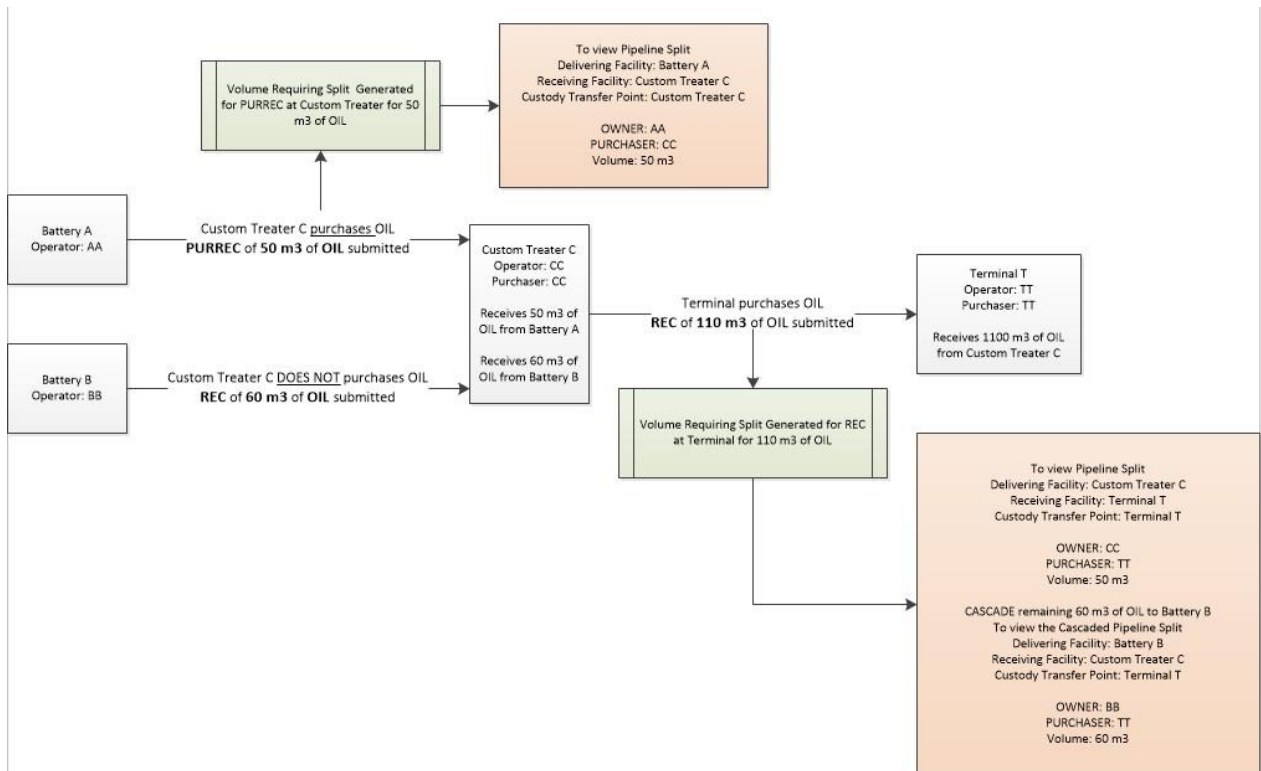
Example 2: Oil is purchased by the operator of the custom treater in a subsequent month then delivered



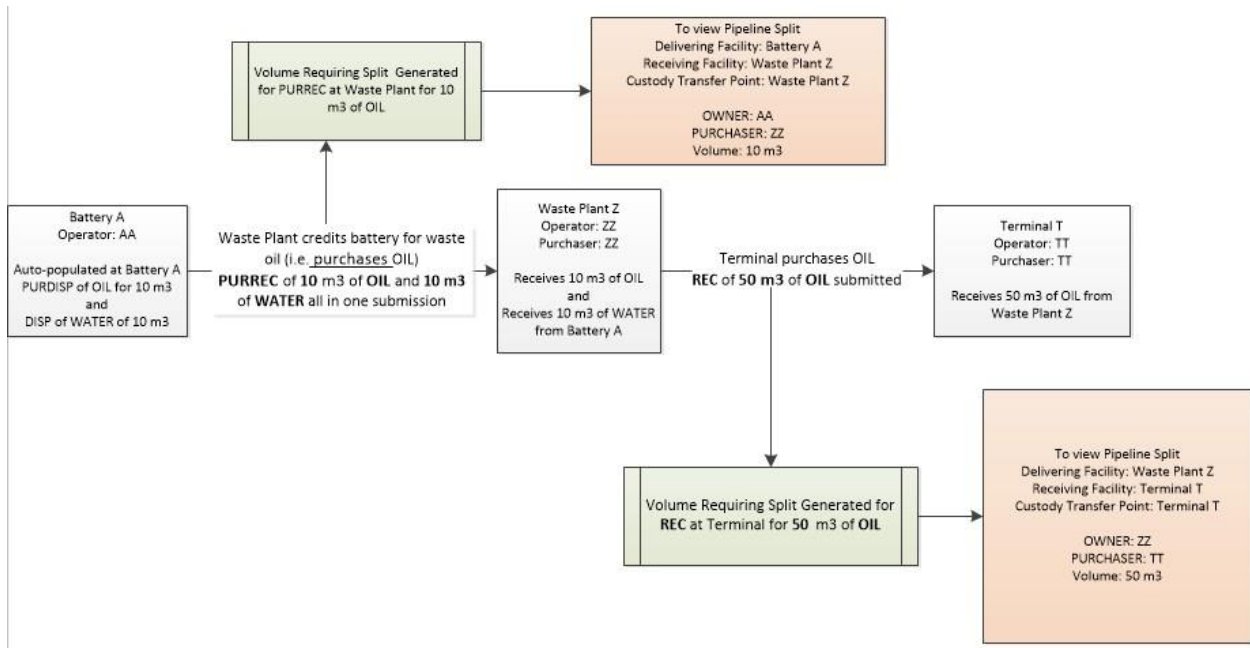
Example 3: Oil is NOT purchased by the operator of the custom treater



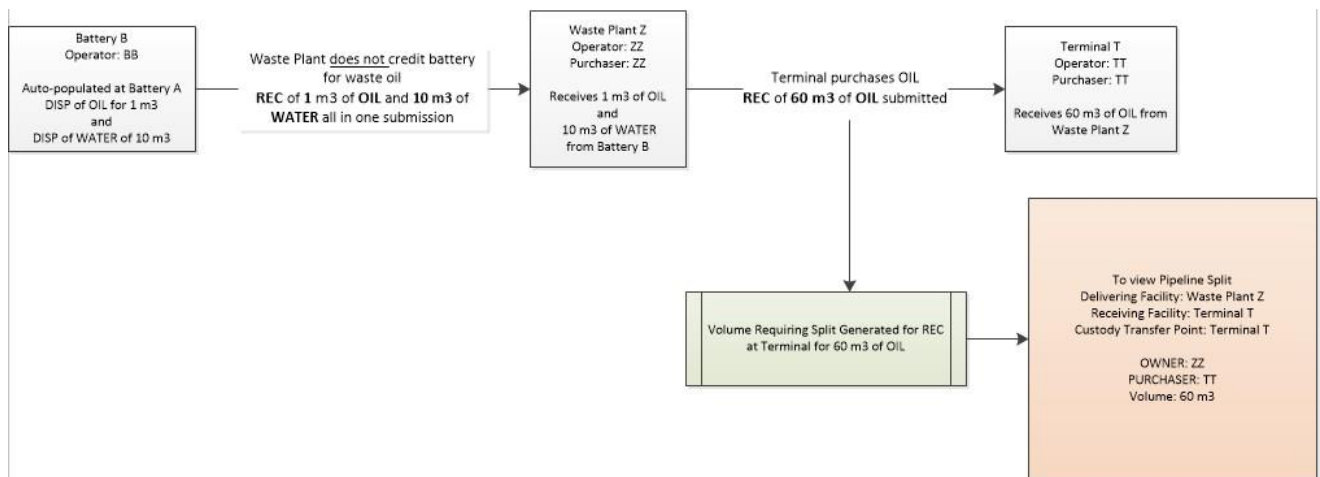
Example 4: Oil is both purchased and not purchased by the operator of the custom treater.



Example 5: Oil is purchased by the operator of the waste plant



Example 6: Oil is NOT purchased by the operator of the waste plant



Example 7: Oil is both purchased and not purchased by the operator of the waste plant.

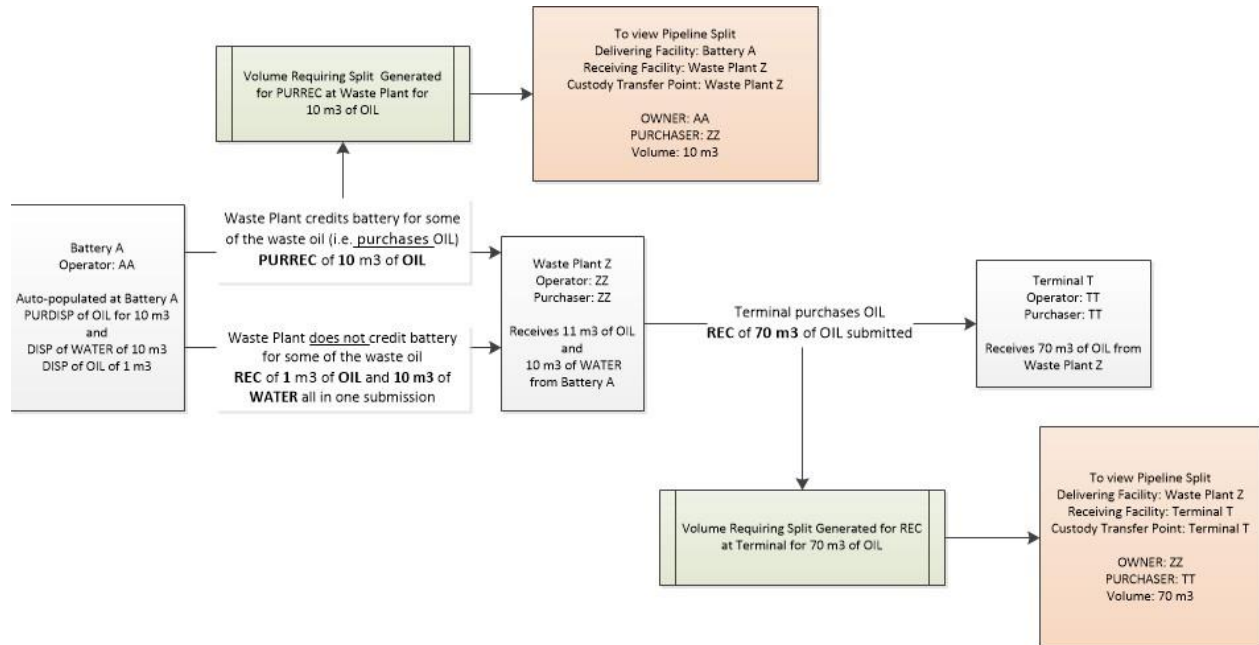


Table 1: When a PURREC at a Waste Plant and Custom Treater can report and when a VRS is triggered.

Reporting Facility	From/To Facility	Accepts PURREC	VRS is triggered
WP	BT	Yes	Yes
WP	CT	Yes	Yes
WP	GP	Yes	No
WP	GS	Yes	No
WP	IF	Yes	Yes
WP	PL	Yes	No
WP	TM	Yes	No
WP	WI	Yes	No
WP	WL	Yes	No
WP	WP	No	Not Applicable
WP	WT	No	Not Applicable
WP	WS	No	Not Applicable
WP	Out of province facility	No	Not Applicable
CT	BT	Yes	Yes
CT	CT	Yes	Yes
CT	GP	Yes	No
CT	GS	Yes	No
CT	IF	Yes	No
CT	PL	Yes	No
CT	TM	Yes	No
CT	WI	No	Not Applicable
CT	WP	Yes	No
CT	WT	No	Not Applicable
CT	WL	No	Not Applicable
CT	WS	No	Not Applicable
CT	Out of province facility	No	Not Applicable

More information:

ER Service Desk
 Phone: 1-855-219-9373
 E-mail: ER.ServiceDesk@gov.sk.ca

Or:

Petrinex Business Desk
 Phone: (403) 297-6111 (Calgary)
 Phone: 1-800-992-1144 (other locations)
 E-mail: petrinexsupport@petrinex.ca