

Allow the reporting of zero or negative pricing for Oil Valuation

Jurisdiction	Release/Revision Date	Location of Change in this Document	Comment
SK/ BC	June 3, 2020		Initial Release

Audience: All Saskatchewan & British Columbia Users

Purpose: On June 4, 2020 a change was made to Petrinex allowing royalty tax payers and purchasers to report zero or negative sales gross prices for Petrinex Oil Valuation effective October 2018 production month. The Net Sales Value in SK and /or the Gross Price in BC will be calculated to reflect the negative sales gross prices. If the calculated average wellhead price net value for an OV-RTP record at a facility becomes negative, then \$0/m³ will be used for pricing.

Background: Currently, the Petrinex Oil Valuation functionality does not allow industry to enter a price less than \$0.001.

Invoiced royalty/tax dollar amounts are skewed by the inability for industry to accurately report negative prices in Petrinex. With the current low commodity price environment that we are in, it is expected that a considerable number of negative oil prices could be reported, and therefore this change was required. If you experienced negative pricing since 2018-10, you are encouraged to amend your pricing. However, amendments for this purpose are not considered mandatory.

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