



Questions from the May 26th, 2009 Registry/Industry Q&A Session

Waste Plant

1. How were WP operators instructed to handle inventories held from Feb 09 that were delivered/transferred at a CT, TM or PL in March 09?

Answer: The February closing inventories reported to the ERCB for Feb 09 production month were uploaded into the Registry as March Opening Inventory.

2. Will oil/condensate be a valid product for ABWM? (i.e.; rig tank fluid or fluid brought to facility to fix compressor).

Answer: Only Water is valid for ABWM (Waste Materials). Other fluids would be reported as receipts from a Well ID (where the rig tank is), a Facility ID (where the compressor is), or from Miscellaneous (ABMC) if it is purchased commercially.

Water Non-Compliance

3. Who can Industry contact with questions specifically related to the rules around the implementation of water non-compliance penalties?

Answer: Please contact the ERCB PA Helpline – 403-297-8952

4. ABMC water produced at the plant is usually a large amount. How will it be treated?

Answer: If at all possible the plant operator should report the receipt of water using a Facility(s) ID, however the miscellaneous code ABWC (Water Condensation) can also be used.

5. How does the Registry expect to handle water delivered to a plant with a gas stream where the plant does not populate PRA with the disbursement?

Answer: If the water delivered was of a measureable quantity, it should be shown as a receipt of water by the plant operator. Please document the correspondence between the producer and the gas plant and send the documentation to the ERCB for follow-up.

6. As the ERCB is implementing non-compliance fees for water metering differences errors, can the ERCB advise Industry which terminals must report water receipts from BT's? Does the TM need to report water receipts? A list of ERCB facilities that are exempt from reporting water would be helpful.

Answer: All facilities (including Terminals) are expected to report on all volumes (including water) received at their facility. No facilities are exempt from reporting water.

7. Do all "old deliveries" differences have to be cleared up by March 2010?

Answer: A new VME (Volumetric Error Message) will be available effective production month 09-2009. Only those differences associated with this new error message must be corrected by March 2010.

Other ERCB Items

8. ABMC codes for oil deliveries: What is the ERCB oil volumes threshold that the code ABMC is acceptable to use? For example, wells produce mainly gas and oil is also produced <20M3/month. Would the ABMC code be acceptable to use in these situations?

Answer: When oil is produced, regardless of quantity, it should be reported as production. The ABMC code should only be used if the oil is not produced, (i.e. purchased).

9. How does the initial VGWL classification on the well status get updated for gas wells? What impact does it have on Registry reporting or vice versa?

Answer: The VGWL is initially set by Industry's first volumetric submission of a produced liquid for a well with a gas status. The ERCB reviews the volumetric submission(s) and can change the VGWL based on their analysis. If the VGWL is changed, the operator of the facility to which the well is linked must go back and amend the volumetric submissions so they are reporting the correct fluid (oil or condensate).

10. Please review the proration factor issue oil ____ Heavy oil ____ Gas ____ Shallow gas ____

Answer: Acceptable Proration Factors

- Conventional oil battery
 - oil = 0.95000 – 1.05000
 - gas = 0.90000 – 1.10000
 - water = 0.90000 – 1.10000
- Heavy oil battery – primary production and waterflood operations
 - oil = 0.85000 – 1.15000
 - water = 0.85000 – 1.15000
 - gas = no stated expectation due to generally low production volumes

- Heavy oil battery – thermal recovery operations
oil = 0.75000 – 1.25000
water = 0.75000 – 1.25000
gas = no stated expectation due to the nature of thermal production
- Gas battery – dry gas production
gas = 0.90000 – 1.10000
- Gas battery – effluent measurement
gas = 0.90000 – 1.10000
water = 0.90000 – 1.10000

11. Explain “special commingling”.

Answer: Special Commingling is referred to in the Development Entity (DE) areas as described in [Directive 65](#).

Alberta Royalty Framework Transition Royalty Election

12. The person who has the ARFT election role applies for the transitional royalty rates. The results come back on the edit ARFT. Does the comprehensive role give you access to these results?

Answer: Only the person with the ARFT Election Role has access to that screen. However, this information is available to BA users of the Licensee on the Query Production Entities Screen, and the Production Entity Report.

13. How long will it take to find out if a well qualifies?

Answer: The DOE will confirm that the well qualifies shortly after the first volumes are reported for the well. The DOE is currently reviewing this and any updates will be communicated to Industry.

14. If a well goes on production June 29th, do we only have until June 30 to elect?

Answer: Correct.

15. Where can we get actual formulas for transition wells?

Answer: The formulas are available on the DOE Website – About Us – Royalty Framework – Formulas and Charts of Royalty Rates and Curves.
<http://www.energy.gov.ab.ca/Org/pdfs/ConvOilRoyaltyFormulas.pdf>

16. Can the election be made on the Registry prior to a well coming on production?

Answer: Once the well event is set up in the Registry, the election can be made but the DOE will not review for qualification until after the first month of production.

17. If a well goes on test for 3 days, does that qualify as production for the ARFT?

A: Any production, including test production, is included as it is recovered or obtained during the production month in which testing took place. Once testing has started election must occur by the end of that month.

18. We have several wells that changed from medium PAR to light PAR or the visa versa, however we only became aware of this change after the volumes have been split. Is there any place in the Registry that makes us aware of this in advance so that we have an opportunity to make the changes to avoid penalties?

Answer: The Query Production Entity screen and the Production Entity report contain this information; however it can be updated at anytime without notice. If you use the latest information available in the Registry, i.e. the PE report, to perform your calculations, you can use this report (if necessary) to appeal any penalties. Please remember to retain all of the documentation/reports you used for your calculations. The reason for this is that any subsequent report will have updated/new information and you will need to prove what information you had available on the day you performed your calculations.

PURDISP/PURREC

19. I have received volumetric changes from a fuel receipt at my plant; DISP-PURDISP when submitting the volumetric at the plant level. A warning came up about 2003-01 being statued barred. Do I need to contact DOE or PRA?

Answer: The DOE is currently reviewing prior years to ensure PURDISP is being used when there are transfers between network facilities. Please contact the DOE prior to submitting any data relating to statute-barred years.

20. For a sour gas battery receiving gas from a nova PL meter downstream of a gas plant, how is it reported? TCPL/Nova to populate PURDISP?

Answer: All gas from a PL meter station (MS) is "Royalty paid Gas" which is not a royalty trigger. The use of PURDISP/PURREC is not valid for meter station reporting. The meter station will report a receipt from the PL and a disposition to the Battery. This will auto-populate a disposition at the PL and a Receipt at the BT.

21. If the PURDISP is not raw gas, would ISC's and GJ's still be required on the volumetric submission?

Answer: For PURDISP/PURREC, volume and GJs are required but not ISCs. Note: A Raw Gas Allocation (RGA) submission is required when using the PURDISP activity and thus ISCs would be submitted on the RGA.

22. A gas battery delivers to an oil BT for fuel, but both facilities are 100% owned by the operator which does not do any financial "sale" transactions... Is this still considered a royalty trigger to be reported on PURDISP or DISP? For RGA, can those be used for fuel sales? i.e.; BT to BT.

Answer: The DOE is currently reviewing this reporting situation and will communicate the results of their investigation to Industry.

Communications/Training

23. Are the Registry training modules now available to all users or still only to companies and users who paid (way back when)? Is a different password required to get in?

Answer: The Registry training modules are available to **all users** on the Registry Resource Centre website page. User IDs have been set up as firstname.lastname. Should you forget your password, please contact the Registry Service Desk and it will assist you in obtaining/updating your password.

Reminders:

- Your password to the Registry training modules does not have to be changed on a regular basis, as there are no confidentiality issues surrounding the viewing of this information. Note: As a matter of convenience, and for consistency, users can change their training password when they change their Registry User password (every 90 days).
- When a profile is created for a user, this profile moves with the user. Therefore if someone moves to another organization, they can contact the Registry Service Desk to have their profile moved to the new organization.