

**GAS ROYALTY CALCULATION  
INFORMATION BULLETIN  
June 2006**

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## **A. PRICING RATES AND TRANSPORTATION INFORMATION**

For Pricing, Royalty Rates and Transportation Information for April 2006, refer to [Attachments 1, 1A, 2, 2A, and 3](#).

## **B. NOTICES**

### **Office Closures – July 3, 2006**

All Alberta Energy offices will be closed on Monday July 3, 2006 in lieu of the Canada Day Holiday of Saturday, July 1, 2006. As stated in the May 2006 Information Bulletin, royalty clients are to remit the total amount payable shown on the June 2006 Statement of Account by June 30, 2006.

### **2006 Annual Allowable Cost Estimates (Capital Cost Allowance and Custom Processing Allowance)**

For the January through March 2006 billing periods, royalty clients received monthly cost deductions that were calculated by using their 2005 Estimated Allowable Costs, multiplied by their 2004 Corporate Effective Royalty Rate (CERR), divided by 12 (months).

The information in the 2005 AC2, AC3, and AC5 documents will be used to calculate the 2005 Actual Capital Cost and Custom Processing Allowances. This calculation will be reflected in the April 2006 Initial Annual Billing Period (IABP) invoice, issued in June 2006.

The 2005 Actual Allowable Costs will become the royalty client's 2006 Allowable Cost Estimates.

Commencing with the April 2006 billing period, royalty clients will receive monthly deductions based on their calculated 2006 Allowable Cost Estimates, multiplied by their new 2005 CERR, minus the total deductions received in the January, February and March 2006 billing period invoices, divided by the months remaining in the year (i.e. 9 months as of the April billing period).

To adjust the 2006 Allowable Cost Estimates, please submit a written request, accompanied by supporting documentation, to Client Services.

Examples when an adjustment may be required are as follows:

- A royalty client's business in a year changes significantly so that the Crown share of Capital Cost Allowance and/or Custom Processing Allowance from the preceding year are no longer applicable, or
- The AC2, AC3, and AC5 documents were not submitted in time for them to be processed in the 2005 IABP.

### **Provincial Average Corporate Effective Royalty Rate (CERR)**

The Provincial Average CERR is initially assigned to each new royalty client to estimate the Crown's share of allowable costs. Each June, during the Initial Annual Billing Period (IABP), the estimated CERR is recalculated and the actual Crown share of allowable costs is determined using the client's actual calculated CERR.

The Provincial Average CERR for the 2006 production year is 0.1996828.

### **Royalty Exemption Statement**

The Royalty Exemption Statement included in the May 2006 Crown Royalty Invoice contained the following problems:

- PDF file format font was incorrect resulting in not all columns of the report being displayed or printed.
- CSV file format had duplicate headers for two columns which shifted data into incorrect fields.
- Condensate summary dollars did not match the detailed lines of condensate taken. Pre-2002 data was missing.

The first two formatting items were corrected and the change will be reflected in the June 2006 invoice. The condensate summary information is expected to be reflected in the July 2006 invoice.

### **Royalty Deposit Adjustment**

The royalty deposit recalculation for 2006 is the lesser of 1/6 of a client's net royalty for 2005 including condensate and the amount determined by multiplying the current deposit maintained by the client by a price factor. The factor of (1.30) was calculated by dividing the current year long-term gas reference price for 2006 (\$6.50) by the long-term gas reference price used in the 2005 (\$5.00) calculation. Refer to [Chapter II, Section 6.4](#) of the Principles and Procedures for additional information. Refer to [Attachment 4](#) for a sample of the Royalty Deposit Adjustment report which includes a new column for condensate. If you have any questions, please contact Shellie Duiker at (780) 422-8083.

### **Operating Costs Subject to Recapture**

The Operating Costs Subject to Recapture report for the 2005 production year will be issued in the April 2006 invoice in the June 2006 calendar month. Operating costs are recaptured from a royalty client who has volumes at a facility where they have no capital ownership (as identified on the AC1, AC2 or AC3 submission) and no reported custom processing fees. A royalty client who is not an owner at a facility is not entitled to the operating cost they received on a monthly basis. The operating costs subject to recapture will be charged in the August 2006 billing period invoice issued in October 2006.

## **C. MONTHLY INFORMATION**

### **April 2006 Royalty Due July 31**

- **Royalty clients are to remit the total amount payable shown on the July 2006 Statement of Account by July 31, 2006.** If the amount payable includes accrued current period interest, the interest has only been accrued to the statement issue date. Clients must also include the additional interest that has accrued from the statement issue date to the date of payment, using the per diem amount provided.
- **The July 2006 Statement of Account shows your amount payable as of the Statement issue date. It includes any outstanding balances from your previous statement, your April 2006 Invoice amount and any applicable current period interest charges. It also identifies refunds resulting from overpayments.**
- Current period interest will not be charged on current invoice charges for the production month of April 2006 if it is paid in full by July 31, 2006.
- Current period interest will accrue on any overdue charges commencing the first day after the due-date until it is paid in full.

**Note: If the due date falls on a non-business day, the next business day will apply as the due date.**

- Cheques are payable to the Minister of Finance, Province of Alberta.

### **May 2006 VA4 Due July 15**

The VA4 forms for the production month of May 2006 are due in the department offices by July 15, 2006.

**Note: If the due date (15<sup>th</sup>) falls on a non-business day, the next business day will apply as the due date for VA4 forms.**

### **May 2006 Production Reporting**

May 2006 production reporting is submitted through the Registry. The deadline for submission of SAF, OAF, and Volumetrics is posted in the [Petroleum Registry of Alberta](#) website “Calendar” under Bulletin Board.

Changes to this calendar will be posted on the Registry web site home page in “Broadcast Messages.”

### **Interest Rate June 2006**

Alberta Energy’s interest rate for June 2006 is 7.00%.

**March Provisional Assessment Charge**

The summary of Provisional Assessment Charges for all production periods in the March 2006 billing period was:

<b>First Time Provisional Assessment</b>	<b>Reversals of Provisional Assessments</b>	<b>Net Provisional Assessment</b>
\$5,092,576.81	(\$6,602,545.13)	(\$1,509,968.32)

**March Penalty Charges**

The revised penalty table below shows at the form level, the total penalty charges and reversals, for the March 2006 billing period:

<b>FORM</b>	<b>Penalty Charges</b>	<b>Penalty Reversals</b>	<b>Net Penalty Charges for 2006/03</b>
AC2	\$33,300	(\$3,400)	\$29,900
AC4	\$11,600	(\$200)	\$11,400
AC5	\$2,400	\$0	\$2,400
GR2	\$0	\$0	\$0
NGL1	\$1,000	\$0	\$1,000
VA2	\$1,000	(\$2,000)	(\$1,000)
VA3	\$0	\$0	\$0
VA4	\$200	\$0	\$200
<b>Total</b>	<b>\$49,500</b>	<b>(\$5,600)</b>	<b>\$43,900</b>

**Alberta Royalty Tax Credit Program Quarterly Rate**

For the second quarter of 2006, commencing April 1, 2006, the royalty tax credit rate will be .2500. This rate is based on a royalty tax credit reference price of \$690.57 per cubic metre. The Alberta Royalty Tax Credit rates for the past year were:

First Quarter, 2006	.2500
Fourth Quarter, 2005	.2500
Third Quarter, 2005	.2500
Second Quarter, 2005	.2500

If you have any questions, please contact Tax Services at (780) 426-3035.

**Gas Royalty Calculation Support**

Gas Royalty Calculation staff will be available monthly to meet with clients who need assistance with royalty reporting. Royalty clients requiring assistance are encouraged to call Deen Khan, Director, Gas Royalty Calculation (780-422-9247) or e-mail [deen.khan@gov.ab.ca](mailto:deen.khan@gov.ab.ca) two business days before the meeting date to arrange an appointment. The July through September schedule is as follows:

**Where:**

AMEC Place

Room 437, 801-6 Avenue SW

Calgary, Alberta

Phone: 403-297-8954

(Industry must go to the 3rd Floor Reception upon arrival to sign-in and be given a visitor tag)

**When – 10 am to 3 pm**

July 27, 2006

August 23, 2006

September 21, 2006

## **D. INFRASTRUCTURE DATA CHANGES**

### **Client ID Listing**

The BA Identifiers Report is a directory of Business Associate (BA) names, codes, status (e.g. struck, active, amalgamated, etc.), status effective dates, and effective August 2004, includes Working Interest Owner (WIO) role start/end dates.

This report is also published daily on the Petroleum Registry website at:

<http://www.petroleumregistry.gov.ab.ca>

The department reminds Business Associates to review their WIO role to ensure the start and end dates are reflected correctly. If the BA does not have an active WIO role, the operators cannot allocate volumes to the BA for the relevant production periods through the SAF/OAF allocations.

- If a BA has a WIO role start date with no end date, then that BA can receive allocations from the stated start date forward.
- If a BA has a WIO role start and end date, then they can only receive allocations from the stated start date until the end date. Any allocations after the end date will be rejected.
- If a BA does not have a WIO role start date, then that BA cannot receive allocations at all.

Please contact Client Registry at (780) 422-1395 if you have any questions regarding the information supplied on this listing.

### **Projects/Blocks**

If information is required on Projects or Blocks, please contact Isabelle Warwa at (780) 427-8952.

### **Client Status Changes**

Clients must ensure that all royalty documents are completed using only valid client names and IDs. It is critical that royalty clients use current legal client names and their appropriate IDs on all documents to ensure accurate royalty calculation and to prevent provisional assessment and penalties. Rejects will occur when invalid IDs are used.

If you require information regarding client names or IDs, please contact Client Registry at (780) 422-1395.

The following is a revived client:

Company Name	Client ID	Revived Date
Pursuit Energy Inc.	A0G7	May 30, 2006

**Nova Tolls - Multiple Gas Reference Prices**

Royalty information related to the implementation of the Factor Model negotiated with industry for determining Multiple Gas Valuation Prices is provided on the Natural Gas website’s Royalty Related Information page under [Facility Royalty Trigger Factors and Meter Station Ties](#).

**E. REMINDERS**

**Annual Operating Cost Adjustment Reports for February 2006 Billing Period**

Royalty clients may have had a charge type on their February 2006 invoice titled “Annual Operating Cost Adjustment.” This adjustment represents the difference between the actual annual operating costs and the accumulated estimated monthly unit operating cost rate (UOCR), including any prior annual adjustments, for a production year. To support this adjustment the Annual Operating Cost Adjustment Details and Annual Operating Cost Adjustment Summary reports were included in the February 2006 billing period invoice. These reports may have omitted some historical operating cost information if a production month’s annual adjustment is zero, and therefore were reissued. However, the annual operating cost adjustment amounts reported on the February 2006 invoices were correct. The revised reports have the February 2006 billing period on them and were sent to the Registry on May 18, 2006.

If you have any questions, please contact your Gas Royalty Client Services portfolio representative as identified in [Section F](#) of this bulletin.

**Allocating Operating Costs to the Reported EUB Facility Code on the AC1**

In some complex systems, processing and product allocation can occur at numerous EUB facilities within the network. Situations exist where an FCC is tied to one facility, but the royalty volumes and operating costs are triggered at another EUB facility within the network. In these cases, if there is no record of ownership (AC1, AC2 or AC3) or custom processing fees (AC5) at this additional facility, the department will recapture operating costs previously allowed on these royalty volumes.

Where operating costs may need to be allocated to account for volumes delivered to other facilities in order to retain eligible operating costs, the current AC1 can be amended to indicate the other EUB royalty trigger facility. The reported EUB facility code (field 2.10) on the AC1 is used to preserve the FCC owner’s existing operating cost deduction entitlement. Field 2.10 allows identifying multiple facilities, if applicable.

If you have any questions, please contact your Gas Royalty Client Services portfolio representative as identified in [Section F](#) of this bulletin.

## **Changes to the Annual Client Package**

As a part of the department transitioning away from mainframe based applications, the annual client package moved from the mainframe to the UNIX platform. The change for the annual client package was migrated in May 2006. The change should be seamless as the reports will remain unchanged, except as noted below:

- 1) The CERR reports were renamed to improve clarity.

<b>Current Report Name</b>	<b>New Report Name</b>
CERR Amalgamation/Consolidation – Simple	CERR Calculation Summary – Individual
CERR Amalgamation/Consolidation – Complex	CERR Calculation Summary – Weighted Average
CERR Calculation Summary without CERR	CERR Facility Summary
CERR Calculation Summary with CERR	No longer separated, combined with above report
CERR Detail	Unchanged
CERR DDF	Unchanged

- 2) Royalty Deposit

Minor modifications have been made to this report including the addition of production year and an end of report line. Also this report has a new field for condensate that has been added.

Should there be any concerns or questions about the above changes, please contact Penny White at (780) 422-9261.

## **Additional Changes to the Royalty Exemption Statement – Condensate Royalty**

The Royalty Exemption Statement has been changed to incorporate condensate royalty for wells that have condensate royalty and have received a Deep Gas Royalty exemption. Four columns have been added in the report:

- A column each for Condensate Royalty (\$) and Eligible Condensate Exemption Taken (\$) for the total well, and
- A column each for Condensate Royalty (\$) and Eligible Condensate Exemption Taken (\$) for the royalty client share.

The Royalty Exemption Statement is produced and included with the monthly invoice. This statement is provided to the clients on the Registry in three formats: TXT, PDF and CSV. See [Attachment 5](#) for a sample report.

For royalty exemption royalty clients who currently receive their monthly invoice in paper format, and do not have access to the Registry, the invoice and corresponding detail statement are still available in paper format and will continue to be mailed.

No changes to the User Defined File (UDF) Handbook are required.

For further information please contact Tracy Wadson (780) 422-9240 or Lu-enn Toon at (780) 422-9082.

## **Annual Operating Cost Adjustments for 2003, 2004, and 2005 Production Years**

Royalty clients may have had a charge type on their February 2006 invoice titled "Annual Operating Cost Adjustment". This adjustment represents the difference between the actual annual operating costs and the accumulated estimated monthly unit operating cost rate (UOCR), including any prior annual adjustments, for a production year. Two reports were included with the invoice titled Annual Operating Cost Adjustment Details and Annual Operating Cost Adjustment Summary. Annual Operating Cost Adjustments are processed once a year and the adjustments will be identified in the February invoice issued in April. The results of the 2006 UOCR calculation process are published on the department website <http://www.energy.gov.ab.ca/1917.asp>. For additional information please refer to the [March 2004 Supplement Information Bulletin 04-03A](#) or contact your Gas Royalty Client Services portfolio representative as identified in [Section F](#) of this bulletin.

## **Rapid Trans Deposit Slips**

Royalty clients are reminded that banks do not have a supply of our Alberta Energy Rapid Trans Deposit Slips. They may be picked up or requested from the following locations:

AMEC (Calgary Information Centre)  
300, 801 – 6 Avenue SW  
Calgary, Alberta T2P 3W2  
Telephone (403) 297-6324  
Fax (403) 297-8954

Alberta Energy (Gas Royalty Calculation Unit)  
8<sup>th</sup> Floor, 9945-108 Street  
Edmonton, Alberta  
T5K 2G6  
Contact: Barb Buckley  
Telephone (780) 644-4899  
Fax (780) 422-8732

Alberta Energy (Financial Services)  
12<sup>th</sup> Floor, 9945 – 108 Street  
Edmonton, Alberta  
T5K 2G6  
Contact: Arlene Clark  
Telephone (780) 427-9705  
Fax (780) 422-4281

## **F. POINTS OF CONTACT**

### **Petroleum Registry of Alberta**

The Petroleum Registry of Alberta Service Desk is the focal point for communications with the Registry regarding preparations for, access to, or utilization of the Registry. To contact the Petroleum Registry of Alberta Service Desk call: 1-800-992-1144.

### Alberta Energy Internet

Prices, Royalty Rates, and Transportation Information are available on the Alberta Energy Internet address: <http://www.energy.gov.ab.ca>, from “Our Business”, navigate to “Natural Gas”, “About Natural Gas”, “Prices”, “Alberta Natural Gas Reference Price (ARP)”.

In addition, both the Gas Royalty Calculation Information Bulletins and Information Letters are also available on the Alberta Energy Internet address: <http://www.energy.gov.ab.ca>, from “Our Business”, navigate to “Natural Gas”, “Legislation, Guidelines & Policies”.

### Gas Royalty Client Services

The Gas Royalty Client Services is structured as a Business Associate client portfolio system, which assigns a given Business Associate to one of four Client Service teams. Listed below is the portfolio breakdown along with Client Service Team Leads and phone numbers. The portfolios are divided by company name and not by BA ID.

Example: If your company name is the “Gas Company” you would call C – G team at (780) 644-1202.

Business Associate	Phone Number and E-mail Address	Team Lead
Numbered companies, A, B & L	(780) 644-1201 <a href="mailto:GRCST1@gov.ab.ca">GRCST1@gov.ab.ca</a>	Mary Spearing
C – G	(780) 644-1202 <a href="mailto:GRCST2@gov.ab.ca">GRCST2@gov.ab.ca</a>	Lily Hiew
H – P (excluding L)	(780) 644-1203 <a href="mailto:GRCST3@gov.ab.ca">GRCST3@gov.ab.ca</a>	Chris Nixon
Q – Z	(780) 644-1204 <a href="mailto:GRCST4@gov.ab.ca">GRCST4@gov.ab.ca</a>	Kamal Rajendra

Gas Royalty Reception: (780) 427-2962

Fax: (780) 427-3334 or (780) 422-8732

Alberta Toll Free: (780) 310-0000

Hours of operation are 8:15 a.m. to 4:30 p.m.

Voice messages left after 4:30 p.m. will be answered the next business day.

In situations where a company has just amalgamated or purchased another company, the general rule is to call the team that is responsible for the “Supra” business associate, or Royalty payer.

Below are some guidelines for clients who are unsure which Client Services Team to call regarding their questions.

1. **Amalgamation/consolidation** - Call the team responsible for the “Supra” business associate (Royalty Payer).
  - i.e. ABC Oil and Gas amalgamates with Zed Exploration and Zed is the amalgamator (royalty payer). When calling Client Services regarding business for ABC Oil and Gas you would call Team 4 (Q-Z) (780-644-1204) because Zed Exploration is now

the Supra business associate and royalty payer. This rule would apply even if you were calling regarding business that is prior to the acquisition or amalgamation.

2. **Asset Purchase** - Call the team responsible for your company.
  - i.e. 123 Gas purchases the assets of TSP Exploration, but not the company. When calling Client Services regarding business for 123 Gas you would call Team 1 (# Co., A, B, & L) (780-644-1201) because you have only purchased assets. You would not be entitled to information regarding business for TSP Exploration that is prior to the asset purchase.
  
3. **Consultants/service providers** - If you have a contract to provide production accounting services to a company, call the team responsible for your client's company.
  - i.e. Paul Snow Consulting Services enters into a contract with Duckback Oil and Gas and Olive Oil and Gas. Paul Snow would contact Team 2 (C-G) (780-644-1202) to discuss Duckback Oil business and Team 3 (H-P excluding L) (780-644-1203) to discuss Olive Oil and Gas business. At the time the contract is signed, Paul Snow would have had each company notify the appropriate team that he was authorized to access information for their company.

### **Reference Prices and Valuation Allowances Calculation Information**

Gas Royalty Valuation and Markets  
300, 801 – 6 Avenue SW  
Calgary, Alberta T2P 3W2  
Telephone (403) 297-5514  
Fax (403) 297-5400

### **Calgary Information Centre**

300, 801 – 6 Avenue SW  
Calgary, Alberta T2P 3W2  
Telephone (403) 297-6324  
Fax (403) 297-8954

### **Alberta Royalty Tax Credit Information**

Alberta Finance, Tax and Revenue Administration  
Tax Services  
Telephone: (780) 427-3044  
Alberta Toll Free: (780) 310-0000  
Fax: (780) 427-5074  
For further information, please contact Tax Services at (780) 427-9425.

Deen Khan  
Director, Gas Royalty Calculation  
Gas Development

**2006 GAS AND ISC PRICES**

MONTH	Gas Reference Price (\$/GJ)	Methane ISC Reference Price (\$/GJ)	Methane ISC Par Price (\$/GJ)	Ethane ISC Reference Price (\$/GJ)	Propane ISC Reference Price (\$/GJ)	Butanes ISC Reference Price (\$/GJ)	Pentanes plus ISC Reference Price (\$/GJ)
JAN	9.52	9.56	9.56	9.33	9.11	9.10	9.14
FEB	7.38	7.36	7.36	7.58	7.58	7.58	7.59
MAR	6.47	6.46	6.46	6.67	6.71	6.74	6.76
APR	6.18	6.17	6.17	6.31	6.31	6.36	6.36
MAY							
JUN							
JUL							
AUG							
SEPT							
OCT							
NOV							
DEC							

Natural Gas and NGLs Select Prices for 2006		
Commodity	2006	
New Methane	1.419 \$/GJ	
Old Methane	0.418 \$/GJ	
New Ethane	1.419 \$/GJ	
Old Ethane	0.418 \$/GJ	
Propane	1.419 \$/GJ	
Butanes	1.419 \$/GJ	
Pentanes plus	50.73 \$/m3	
Royalty Factors for Pentanes plus		
	Base	Marginal
New Pentanes	22	35
Old Pentanes	22	50

DETAIL OF THE APRIL 2006 GAS AND ISC REFERENCE PRICES						
	Gas	Methane	C2-IC	C3-IC	C4-IC	C5-IC
Weighted Average Price of Alberta	6.467	6.460	6.548	6.532	6.533	6.527
Deductions: Intra – Alberta Transportation	0.222	0.236	0.135	0.095	0.073	0.055
Marketing Allowance	0.027	0.027	0.027	0.027	0.027	0.027
Price Before Pipeline Factor	6.218	6.197	6.386	6.410	6.433	6.445
Pipeline Fuel/Loss Factor	0.990	0.990	0.990	0.990	0.990	0.990
Price before Special Adjustment	6.154	6.134	6.321	6.344	6.368	6.379
Special Adjustment	0.000	0.000	0.000	0.000	0.000	0.000
Price before 2% amendment limitation or rounding	6.154	6.134	6.321	6.344	6.368	6.379
Amendments: Carry forward (from previous RP month)	0.003	0.002	0.000	0.004	0.038	0.043
Prior Period Amendment Adjustment (current RP month)	0.025	0.038	-0.006	-0.041	-0.051	-0.062
Calculated RP after Amendments	6.182	6.174	6.315	6.307	6.355	6.360
<b>APRIL 2006 Reference Price</b>	<b>6.18</b>	<b>6.17</b>	<b>6.31</b>	<b>6.31</b>	<b>6.36</b>	<b>6.36</b>
Difference = value carried forward to next RP month	0.002	0.005	0.005	-0.003	-0.005	0.000
Adjusted IATD (before Prior Period Amendments)	n/a	0.234	0.133	0.094	0.072	0.055
Prior period Amendments (IATD and Pipeline Fuel Loss)	n/a	0.000	0.000	0.000	0.000	0.000
Adjusted IATD (after Prior Period Amendments)	n/a	0.234	0.133	0.094	0.072	0.055

<b>2005 Weighted Average Reference Price (\$/GJ)</b>
7.935

<b>2005 Weighted Average OMAC (\$/GJ)</b>
0.023

## 2006 NATURAL GAS LIQUIDS PRICES

MONTH	Ethane Reference Price (\$/GJ)	Ethane Par Price (\$/GJ)	Propane Reference Price (\$/m3)	Propane Par Price (\$/GJ)	Propane Floor Price (\$/m3)	Butanes Reference Price (\$/m3)	Butanes Par Price (\$/GJ)	Butanes Floor Price (\$/m3)	Pentanes plus Reference Price (\$/m3)	Pentanes plus Par Price (\$/m3)	Sulphur Default Price (\$ per tonne)
JAN	9.33	9.33	289.22	9.11	240.07	394.52	9.10	329.84	484.39	477.02	27.53
FEB	7.58	7.58	248.16	7.58	213.28	370.63	7.58	279.57	468.40	441.89	29.48
MAR	6.67	6.67	254.40	6.71	213.86	362.89	6.74	272.66	468.85	457.27	31.39
APR	6.31	6.31	286.26	6.31	248.88	390.67	6.36	290.57	545.33	524.82	25.41
MAY											
JUN											
JUL											
AUG											
SEPT											
OCT											
NOV											
DEC											

ANNUAL SULPHUR DEFAULT PRICE				
2001	2002	2003	2004	2005
\$0.28	\$6.74	\$30.97	\$31.98	\$33.98

## 2006 NGL TRANSPORTATION ALLOWANCE AND DEDUCTIONS

MONTH	PENTANES PLUS (a)				PROPANE AND BUTANES (b)				PENTANES PLUS, PROPANE & BUTANE (c)				FRAC. ALLOW. (per m3)
	REGION				REGION				REGION				
	1	2	3	4	1	2	3	4	1	2	3	4	
JAN	-0.90	13.92	10.05	18.08	18.72	-1.58	-33.18	-18.57	17.78	14.75	35.26	16.39	15.50
FEB	24.88	25.25	34.62	26.47	10.17	-2.24	-57.23	-19.17	18.42	13.68	31.79	18.91	15.50
MAR	14.23	10.00	32.47	4.43	12.33	6.56	3.05	-2.25	20.08	16.58	22.76	19.67	15.50
APR	16.82	16.81	36.92	26.20	8.13	4.05	4.42	3.86	18.80	24.73	22.81	27.82	15.50
MAY													
JUN													
JUL													
AUG													
SEPT													
OCT													
NOV													
DEC													

- (a) Pentanes Plus obtained as a specification gas product,
- (b) Propane and Butanes obtained as specification products, and
- (c) Pentanes Plus, Propane and Butane contained in a natural gas liquids mix.

\* Current month calculated allowance is based on an estimate.

Note: For details on “Prior Period Amendment Effects”, see Attachment 2A.

PRIOR PERIOD AMENDMENT EFFECTS												
NGL REFERENCE PRICES		APRIL 2006										
	<i>Propane</i>	<i>Butanes</i>	<i>Pentanes</i>									
Price before amendments	286.262013	390.679276	546.385037									
Opening Rollover (from prior business mth)	-0.004017	-0.004778	-0.004327									
Prior Period Amendment Adj. (NGL-1)	0.000000	0.000000	0.000000									
Prior Period Amendment Adj. (NGL-100)	0.000000	0.000000	-1.052644									
<b>Published Reference Price</b>	<b>286.26</b>	<b>390.67</b>	<b>545.33</b>									
TRANSPORTATION ALLOWANCES		APRIL 2006										
	Pentanes Plus				Propane and Butanes				Pentanes Plus, Propane & Butane			
AMENDMENTS	Region 1	Region 2	Region 3	Region 4	Region 1	Region 2	Region 3	Region 4	Region 1	Region 2	Region 3	Region 4
Opening Rollover (from prior business mth)	0.000255	-0.003375	-0.001630	0.001692	0.000846	-0.004635	0.001923	-0.003824	-0.004502	0.004409	0.002677	-0.002901
Prior Period Amendment Adj. (NGL1)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Prior Period Amendment Adj. (NGL-100)	-1.051433	-1.848798	-1.052644	1.735406	0.000000	0.000000	0.000000	0.000000	-0.320880	-0.178331	-0.790240	-0.219561
Total Amendment Effect	-1.051178	-1.852173	-1.054274	1.737098	0.000846	-0.004635	0.001923	-0.003824	-0.325382	-0.173922	-0.787563	-0.222462
Calculated Transp. Differential	17.875031	18.664810	37.979262	24.467793	8.128977	4.049932	4.420607	3.867854	19.122267	24.903049	23.595633	28.042821
Calculated Transp. Differential after Total Amendments	16.823853	16.812637	36.924988	26.204891	8.129823	4.045297	4.422530	3.864030	18.796885	24.729127	22.808070	27.820359
<b>Published Transportation Allowance</b>	<b>16.82</b>	<b>16.81</b>	<b>36.92</b>	<b>26.20</b>	<b>8.13</b>	<b>4.05</b>	<b>4.42</b>	<b>3.86</b>	<b>18.80</b>	<b>24.73</b>	<b>22.81</b>	<b>27.82</b>

\*Any estimates represented by (\*) are calculated as the weighted average of the other regions for the same spec product transportation allowance, since the region is zero. The weightings are based on the previous year's production.



ROYALTY DEPOSIT ADJUSTMENT

Invoice #:00000042724

Issue Date: 1999-06-30  
 Royalty Client: 00X1  
 Name: DUMMY ENERGY RESOURCES LIMITED  
 Production Period: 1998

Royalty Payer Code: 0XX1  
 Name: SUMMY ENERGY RESOURCES LIMITED  
 Address: NORTHERN TOWER  
 1115 5 AVE SW  
 CALGARY AB T2X 2R5

DEPOSIT ADJUSTMENT		
New Deposit (\$)	Prior Year Deposit (\$)	Deposit Adjustment (\$)
7,715,052.17	8,153,120.15	-438,067.98

ROYALTY DEPOSIT USING 1/6 CALCULATION		
PRIOR YEAR		
Annual Net Royalty (\$)	Months Invoiced	New Deposit (\$)
46,290,313.04	12	7,715,052.17

ROYALTY DEPOSIT USING FACTOR CALCULATION		
Prior Year Deposit (\$)	Factor	Calculated Deposit (\$)
8,153,120.15	1.09	8,886,900.96

NET ROYALTY CALCULATIONS (\$)												
Crown Royalty	Condensate Royalty	Monthly Proprietary Waiver	Annual Co-gen Contract Adjustment	Annual Operating Cost Adjustment	Injection Credit	Monthly CC Deduction	Monthly CP Fee Deduction	Annual CC Adjustment	Annual CP Fee Adjustment	Royalty Paid Bank Settlement	Monthly Allowable Cost Restriction	Annual Allowable Cost Restrict'n Adj

Royalty Client: 0099	DUMMY PETROLEUM LIMITED											
0.00	0.00	0.00	0.00	-2,260,491.84	0.00	0.00	0.00	0.00	0.00	23,666,632.78	0.00	0.00
											Annual Net Royalty: -21,406,140.94	
Royalty Client: 0X39	GEORGE'S BAY OIL AND GAS COMPANY											
0.00	0.00	0.00	0.00	-13,000.43	0.00	0.00	0.00	0.00	0.00	258,322.43	0.00	0.00
											Annual Net Royalty: -245,322.00	
Royalty Client: 039X	AMEESA CANADA PETROLEUM COMPANY LTD											
70,915,542.57	5,250.36	0.00	0.00	2,667,272.90	0.00	287,540.80	0.00	-1,361.03	0.00	25,564.28	0.00	0.00
											Annual Net Royalty: 67,941,775.98	
Royalty Client: 0XD7	NONEXISTANT RESOURCES LIMITED											
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
											Annual Net Royalty: 0.00	

ROYALTY PAYER TOTAL

70,915,542.57	5,250.37	0.00	0.00	393,780.63	0.00	287,540.80	0.00	-1,361.04	0.00	23,950,519.49	0.00	0.00
											Annual Net Royalty: 46,290,313.04	

\*\*\*\*\* End of Report \*\*\*\*\*

ROYALTY EXEMPTION STATEMENT

Invoice #:00000XXXXXX

Issue Date: 2006-05-31  
 Royalty Client: 0XXX  
 Name: MY COMPANY LIMITED

Royalty Payer Code: 0XXX  
 Name: MY COMPANY LIMITED  
 Address: 100 1 Ave SW  
 CALGARY AB T2P 2Z5

ROYALTY EXEMPTION INFORMATION	
Well ID	1XX XX XX XXX XX WX XX
Well Operator ID	XXXX
Well Operator Name	MY COMPANY LIMITED
Well Tie	AB-BT-XXXXX
Royalty Exemption Application Number	DXXXX
Royalty Exemption Type	Deep Gas Royalty Holiday Program
Royalty Exemption Expiration Date	1998-06-01
Royalty Exemption Status	Complete
Eligible Periods	12
Total Periods Taken	4
Total Well Eligible Exemption	3,447,840.00
Total Well Eligible Exemption Taken	3,447,840.00
Condensate Taken	1,200.00
Remaining Well Eligible Exemption	0.00
Remaining Periods	

Production Period	TOTAL WELL					ROYALTY CLIENT SHARE			
	Exemption Periods Taken	Gross Royalty (\$)	Eligible Exemption Taken (\$)	Condensate Royalty (\$)	Eligible Condensate Exemption Taken (\$)	Gross Royalty (\$)	Eligible Exemption Taken (\$)	Condensate Royalty (\$)	Eligible Condensate Exemption Taken (\$)
1996-05	1	912,712.97	912,712.97	400.00	400.00	218,933.07	218,933.07	400.00	400.00
1996-06	2	888,548.08	888,548.08	300.00	300.00	213,133.50	213,133.50	300.00	300.00
1996-07	3	898,663.22	898,663.22	200.00	200.00	215,699.12	215,699.12	200.00	200.00
1996-08	4	897,184.87	747,915.73	500.00	500.00	215,206.34	179,401.29	500.00	500.00
<b>Sub-Total</b>		<b>3,597,109.14</b>	<b>3,447,840.00</b>	<b>1,400.00</b>	<b>1,400.00</b>	<b>862,972.03</b>	<b>827,166.98</b>	<b>1,400.00</b>	<b>1,400.00</b>
<b>TOTAL</b>		<b>3,597,109.14</b>	<b>3,447,840.00</b>	<b>1,400.00</b>	<b>1,400.00</b>	<b>862,972.03</b>	<b>827,166.98</b>	<b>1,400.00</b>	<b>1,400.00</b>

\*\*\*\*\* End Of Report \*\*\*\*\*