

Volumetric Reporting Survey Results

This appendix summarizes the results of the questionnaire used to gather data on industry reporting to the Department of Energy and the EUB . For each of the reporting forms, respondents were asked to indicate usage and frequency, as well as to identify issues and opportunities for improvement.

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LEGEND:

Sev1 = most significant impact Sev2 = significant impact Sev = impact

Opp = opportunity for process or input form improvement

been fixed by now, a suggested tolerance of \pm \$1.00 would resolve future rounding errors.			
If the total CPAF factor adds up to 100% but the CPAF factor is not shown as 0.00000%, the AC2 will reject. It appears to be an unnecessary requirement. Suggested approach would be to sum up the CPAF's and if it totals 100%, the form should not reject.	Opp		
Rounding problem – allocation percentages; if the sum of the % allocations does not exactly equal 100% the DOE will reject the form. However due to rounding, the total may be 100.00001 or 99.99999. A suggested approach would be for the DOE to build a tolerance into this. The tolerance could span from 99.99998 to 100.00002%...anything outside of this should be rejected.	Opp		
In the capital additions section, the AC2 will reject if there are action items (A/D) and no details. Generally these indicators are generated by a spreadsheet, and there is no need to reject the form. A suggested approach would be rather than being code driven it should be amount driven.	Opp		
Currently it appears the DOE processes surrounding CPAF and AC1 forms and how they relate to the AC2 are inadequate. It is possible that a CPAF could be entered online but the corresponding AC2 is not keyed by the service providers for that month. When the validation process occurs the existing AC2 will be rejected because of the different CPAF factors and an adjustment appears on the invoice. Only when the AC2 gets processed will the proper capital allocation be provided. The same applies when a new FCC is setup and the AC1 does not get keyed before the corresponding AC2/3/4. A suggestion would be the CPAF and all AC1 forms get keyed at the same time to ensure the processing is synchronized.	Opp		
DOE expects Industry to file AC2s for all FCC's and to correctly fill out info. When no changes have occurred the AC2 should not be required. Suggest adding a box to indicate there are no changes from last submission to simplify filings and calculations. To overcome abuse of this; suggest using whatever on the AC2 on April 15 as the next years go forward estimate and not to process the corrected form until the following year. Provides incentives for correct filing and reduces administrative costs.	Opp		
AC2 should contain effective date of ownership change rather than, eg., 9712. It then aides in determining a royalty clients net share of CCA & CPAF	Sev / Opp		
Add prepared date of DOE accepted AC2 on requested turnaround documents	Sev / Opp		
Add RUL to AC2; everything else works	Opp		

Input Form: AC3 Description: Capital Cost Allowance Reallocation

Prepared By: Royalty client or WIO in FCC Frequency: Annual / Monthly Amendments
 Volume: 800 annually
 Due Date: On or before April 30th of the year following the production year
 Amendment Vol: medium
 Used By: DOE Medium: Paper
 Used For: - reallocation of CCA at a FCC
 - a royalty client who has been allocated CCA at FCC on the AC2 may make a further allocation to another royalty client
 EUB Medium: ?
 Used for: Industry Medium: ?
 Used for:

ISSUE / OPPORTUNITY	Industry	EUB	DOE
No conditions stated for the transfer of capital cost allowance; hence the Crown may be disadvantaged by a royalty client with a freehold production transferring CCA to a royalty client with crown production.			Sev1
Comment: - Include a section on the form where the royalty client provide a reason for the transfer - Establish rules for reallocation of CCA	Opp		Sev1
See attached sample of incorrect estimates being used in calculations.	Opp		

Use of the AC3 for Cost Estimation Purposes

Currently, the AC2/AC3 allocation percentages are being used to determine the year's actual capital as well as the amount for the following year's estimate. However, there is a problem when using the forms to adjust for any sales that have occurred. Currently, there are two ways to show the sale:

- the Operator can prorate the working interest owner percentages on the AC2 and not file an AC3.
- the Operator can use year-end percentages of the Facility Cost Centre, and use the AC3 to reallocate the capital

In either method, incorrect estimates are being used for the following year. Take the following example:

(1) *Use proration on the AC2 only*

Scenario: Operator A is 100% owner in FCC 001 from Jan 1, 19xx to Jun 30, 19xx. Operator B is 100% owner in FCC 001 from Jul 1, 19xx to Dec 31, 19xx. When the AC2 is filed to allocate the proper capital, the AC2 will be filed as:

Operator A	50%
Operator B	50%

When the estimate is being calculated, the FCC's entire Capital Cost Allowance should be used and allocated to Operator B, but the current system will allocate half of the CCA to B; the remainder allocated to A.

(2) *Use year-end percentages using AC2/AC3*

Scenario: Operator A is 100% owner in FCC 001 from Jan 1, 19xx to Jun 30, 19xx. Operator B is 100% owner in FCC 001 from Jul 1, 19xx to Dec 31, 19xx. When the AC2 is filed to allocate the proper capital, the AC2 will be filed as:

Operator B	100%
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An AC3 will be filed by Operator B to reallocate 50% of the CCA to Operator A. When the estimate is being calculated, the FCC's entire Capital Cost Allowance should be used and allocated to Operator B, but the current system will allocate half of the CCA to B; the remainder allocated to A.

Our suggestion is to change the use of the AC2 and AC3 slightly to hopefully cover all of the problems. These would have to be communicated with industry to ensure their understanding.

- AC2 allocation percentages would only be **year end ownership percentages** and not a blended rate to account for any mid-year acquisitions. This will also provide the owners and the DOE with a current ownership percentage listing for each FCC (*AC1 WIO section now becomes redundant*). This would have to be reinforced to industry who may use the AC2 to show blended rates instead of year-end percentages.
- AC3 would be used to re-allocate capital for mid-year acquisitions / dispositions.
- AC3 re-allocations would be used for the following year estimate calculations unless specified. A check box would be provided on the AC3 for each line to indicate whether the re-allocation would be used or not. If the box is checked, it would indicate an acquisition / disposition and therefore should not be used for the estimate calculations - the AC2 would reflect the year end actual percentages. If the box was not checked, then it would reflect any silent partners

that may exist and therefore are entitled to a Monthly Estimated Capital Cost Allowance.

Example:

Owner E is a silent partner (10% ownership) to Operator C. Operator C also sells to Operator F on Jul 1, 19xx.

The AC2 would be filed as:

Operator F 100%
CCA \$10,000

The AC3 would be filed by Operator F as:

Client Id	Client Name	Percentage of Original Reallocation	Acquisition / Disposition
1111	Operator C	50.00000%	<input checked="" type="checkbox"/>
1112	Owner E	10.00000%	<input type="checkbox"/>

Operator C receives a 19xx CCA amount of \$5,000. Owner E receives a 19xx CCA amount of \$1,000. Operator F receives a 19xx CCA amount of \$4,000. The estimates that would be set-up for the following year would be:

Owner E \$1,000
Operator F \$9,000

Input Form: AC4 Description: Annual Allowable Operating Costs

Prepared By: Operator of an FCC tied to a designated Facility
 Frequency: Annual / Monthly Amendments
 Volume: 2000 annually
 Due Date: On or before March 31st of the year following the production year
 Amendment Vol: low
 Used By: DOE Medium: Paper
 - Used For: Report annual allowable operating cost to the DOE which will be used to calculate the UOCR for the following year
 EUB Medium:
 Used for:
 Industry Medium:
 Used for:

ISSUE / OPPORTUNITY	Industry	EUB	DOE
Late filings result in a fluctuation in the annual UOCR – because operators did not file or operators filed the AC4 form after the UOCR was calculated for the Production Year.	Sev		Sev1
The filing date is too close to the end of year and any amendments are reflected in the following year rate. (resulting in inaccurate UOCR)	Sev		Sev1
Comment: - Industry has requested turnaround documents for recalculation (this process will be implemented for the AC2)			
AC4 requires information on the calculation in order to complete successfully	Sev		
Allowable costs categories should be defined more clearly (ie., Allowed vs. non allowed ...reclamation costs)	Sev		

Input Form: AC5 Description: Reporting Annual Custom Processing

Fees Prepared By: Royalty client

Frequency: Annual / Monthly Amendments

Volume: 500 annually

Due Date: On or before April 30th of the year following the production year

Amendment Vol: High

Used By: DOE Medium: Paper

Used For: Report annual allowable operating cost to the DOE which will be used to calculate the UOCR for the following year

EUB Medium:

Used for:

Industry Medium:

Used for:

ISSUE / OPPORTUNITY	Industry	EUB	DOE
Royalty clients may choose to only report CP fees for an EUB facility on the AC5 when the fees are greater than the amount of operating costs already given – resulting in crown disadvantage			Sev1
Complexity of the form - lack of understanding by the royalty client on how to complete the AC5 - difficult and time consuming for royalty client to complete Part 3 of the form due to inadequate information on product breakdown. The CP invoice received by the custom user do not break down the fees to the product level. CP fees are charged on inlet volume whereas the AC5 is filed on outlet product volumes produced. This results in increased amendments and inaccurate reporting. An extensive audit is required to validate information required.	Sev		Sev1
Excess Capacity – Part 3 of the AC5 allows CP fees for excess capacity to be reported with .1 volume. This distorts the true volumetric associated with custom processing making the audit of excess capacity very difficult.			Sev1
CP fees are reported at a EUB facility on the AC5 but the royalty client reports no volumes on the OAS at this facility. As a result no operating costs are recaptured. Royalty clients retain the operating cost deduction given at the facility plus the CP fees claimed. The CP fees claimed on the AC5 must be reduced by the operating costs given to the client when crown royalties were calculated. Crown disadvantage.			Sev1
AC5 is difficult to do- it is an equity issue	Sev		
It is very time consuming to complete Part 3 as the invoices from partners only indicates processing occurred and not what type of processing took place (gathering, compression or processing)	Sev		
All processing (water or gas) is booked to one account therefore it is difficult to determine where gas is being processed.	Sev		
A major concern is Part III of the AC5 form. Instead of the			

<p>custom user indicating volumes for the products and ticking off the delayed component, a suggestion would be to tie it to the CPAF form. As such the process would evolve as:</p> <ol style="list-style-type: none"> 1. operator files AC2 and CPAF by Apr 15 2. DOE provides a report to Industry listing all of the FCC's where they have been reported as custom users 3. The owners would file an AC5 4. Part III owners would file the FCC id and the amount paid for service; the volume would come from the CPAF form 5. As the EUB facility relationship to the FCC has already been established through the AC1, this change would assume custom processing on raw gas volumes entering systems and not the processed volumes leaving the system. 6. This should reduce the amount of work done by the owners to determine the custom volumes and puts the onus on the operators to calculate the volumes correctly and on a timely basis to ensure the most accurate information possible. 			
<p>Custom fee invoices are not broke down by product code or by gathering, processing, & comp. Can't elect CP or Op costs & difficult to report volumes for delayering</p>	Sev		
<p>Question the fairness of reporting freehold, in capital, custom processing, &CERR calculation</p>	Sev		
<p>Taking operator costs clawback into negative mode results in industry disadvantage; fair to show custom fee as \$0</p>	Sev		

Input Form: AFE Description: Capital Expenditure

Prepared By: Frequency:
Volume: Due Date:
Amendment Vol:
Used By: DOE Medium:
Used for: EUB Medium: ?
Used for: Industry Medium: ?
Used for:

ISSUE / OPPORTUNITY	Industry	EUB	DOE
Billed through JBS ... not a problem	No Sev		

Input Form: Bid Format

Prepared By: Industry Frequency: unspecified
Volume: 4000 Due Date: every alternate Wednesday until noon
Amendment Vol:
Used By: DOE Medium: Paper
 Used for: sales; sealed bids of parcels requested
 EUB Medium:
 Used for:
 Industry Medium:
 Used for:

ISSUE / OPPORTUNITY	Industry	EUB	DOE
Due Date is critical			

Input Form: CPAF Description: Custom Processing Adjustment Factor

Prepared By: Operator of the Facility Cost Center Frequency: Unscheduled
 Volume: 1200 year
 Due Date: none
 Amendment Vol: medium
 Used By: DOE Medium: Paper
 Used for: to change the custom processing factor reported on the AC2
 EUB Medium:
 Used for:
 Industry Medium:
 Used for:

ISSUE / OPPORTUNITY	Industry	EUB	DOE
Duplicate information: In order to change the CPAF for an FCC, the operator is required to submit a CPAF change form indicating the revised CPAF for the FCC. This revised CPAF is also reported on the AC2 form. This results in an incremental effort to process the forms. Also, the AC2 form will be rejected if it is processed before the revised CPAF is keyed on the CPAF registry. This results in the filing of amended AC2 forms and an understatement of CCA for the royalty client. RECOMMENDATION: terminate use of the CPAF form and use the AC2 to revise the CPAF for a FCC	Sev		Sev1
CPAF form is an effective reporting tool; supports rate calculation & provides detail of custom users which is helpful to partners & the DOE when auditing custom fee claims	*		

Input Form: EFT Description: Electronic Funds Transfer Authorization

Prepared By: Industry Frequency: unspecified
Volume: 365 applicants Due Date: prior to every alternate Wednesday until noon
Amendment Vol:
Used By: DOE Medium: Paper
Used for: authorize bank withdrawals
EUB Medium:
Used for:
Industry Medium:
Used for:

ISSUE / OPPORTUNITY	Industry	EUB	DOE
Must be registered to take advantage of EFT			

Input Form: Form 595

Description: Sulphur Emission Control Assistance Program (SECAP)

Prepared By: Facility Operators

Frequency: Annual

Volume: 16 annually

Due Date: Within six months following the first production year to which the application applies.

Amendment Vol:

Used By: DOE Medium: Paper

Used For: - the 595 form is used to apply for eligibility under the SECAP

- to report annual eligible operating expenses for the year

- to allocate SECAP benefits to the participants of the facility

EUB Medium:

Used for:

Industry Medium:

Used for:

ISSUE / OPPORTUNITY	Industry	EUB	DOE
No timely review of SECAP with the EUB. Should have definite turnaround time.			Sev1
Difficult to ensure SECAP costs are not also claimed with CCA and UOCR. Requires audit activity.			Sev2

Input Form: GR2 Description: Grandfathered Contracts

Prepared By: Royalty client
 Frequency: Annual
 Volume: 3 annually
 Due Date: On or before March 31st of the year following the production year
 Amendment Vol: Low
 Used By: DOE Medium: Paper
 Used For: Manual recalculation of royalties using contract price
 stated on the GR2 form
 EUB Medium:
 Used for:
 Industry Medium:
 Used for:

ISSUE / OPPORTUNITY	Industry	EUB	DOE
Royalty clients report 0.00 GJ's delivered to keep the contract active because in a given year the reference price may be lower than the contract price. Need to agree to use when granted or lose if not used.			Sev1
Lack of audit trail – GJ's delivered are not sourced back to the stream as reported on the OAS.			Sev1
Originally there were 6 contracts however 2 have since rescinded because the reference price is lower than the contract price. 3 have submitted GR2s (one with 0.00) and 1 has not submitted a GR2 for '96. Although this is a manual process because the existing contracts are declining – this isn't a major problem.			Sev2

Input Form: Shipper Splits Description: nominations, contract listing reports etc

Prepared By: Operator

Frequency: Monthly (schedule exists)

Volume:

Due Date: approximately 7th day for oil and liquids and the 18th for gas

Amendment Vol:

Used By: DOE Medium:

Used For:

EUB Medium:

Used for:

Industry Producers and Shippers

Medium: Paper and electronic if used through OAS

Used for: to distribute volumes between producer, purchaser or (marketer), pays producer for products

ISSUE / OPPORTUNITY	Industry	EUB	DOE
It is not standardized to make it more timely and effective.	Sev		

Input Form: Lessee Linkages – Freehold Mineral Rights Tax

Description

Prepared By: Industry and Freehold Mineral Right Owners

Frequency: Unspecified

Volume: 15 per month

Due Date: prior to tax calculation in Feb of each year

Amendment Vol:

Used By: DOE Medium: Paper

Used For: Providing means for lessees and/or lessors to submit product valuations (annual unit values) and / or receive tax assessments and related information

Used for: EUB Medium: ?

Used for: Industry Medium: ?

ISSUE / OPPORTUNITY	Industry	EUB	DOE
Information not up to date and frequently provided after the fact			Sev1

Input Form: Municipal Affairs Tax

Prepared By: industry Frequency: set up and annual thereafter

Volume: thousands

Due Date:

Amendment Vol:

Used By: DOE Medium: N/A

Used for:

EUB Medium: N/A

Used for:

Industry Medium: submit on paper

Used for: establishing the municipal tax role and maintaining the tax role

ISSUE / OPPORTUNITY	Industry	EUB	DOE
Requires intense manual effort	Sev	N/A	N/A
Does opportunity exist to leverage AEUB and DoE filings to eliminate industry effort/expense***	opp	opp	opp

*** Requires Industry Associations working with Ministry and Municipal Affairs to investigate costs/benefits

Input Form:	OAS	Description:	Owner Activity Statement
Prepared By:	Facility Operators	Frequency:	Monthly
Volume:	11800 original	Due Date:	15 th day of the 2 nd month following production month
Amendment Vol:	8200 per month	Rejected:	2500 per month
Used By:	DOE	Medium:	EDI
	EUB	Used for:	Volumetric Reconciliation and Royalty Calculation
Used for:	Industry	Medium:	?
Used for:		Medium:	?

ISSUE / OPPORTUNITY	Industry	EUB	DOE
Lack of audit trail due to optional reporting of volumes on OAS (eg., Optional stream id, without stream id DOE cannot trace back to source for any type of verification)			Sev1
Too many royalty sieves in OAS designs (eg., volumes could reconcile but escape royalty if client files as non royalty trigger production (commercial storage))			Sev1
Not used by Industry as the main document of info exchange thus there is a lack of intended self monitoring / policing. Major problem is the deadline and timing issue to use as an industry to industry document. Industry need the information for revenue reporting etc. therefore for the most part, OAS's are now only used as a royalty document No longer supported by an Industry group (eg., Pride)	Sev1		Sev2
Too many options for clients to report thus widening the DOE scope of work in terms of having to account for all reporting possibilities (eg., A sales may be reported as a sale or as a transfer to a TF)			Sev2
Reporting at stream / owner level creates too much data			Sev2
Overall complexity and flexibility of the form create numerous validation rules and multiple reconciliation types. Understanding of the OAS is limited	Sev		Sev1
Full form replacement generates more amendments than necessary			Sev1
Facility operators are required to report EOR scheme injection and production using the EOR IS number. All EOR schemes fall under either a project or unit which is also a valid stream id. Some operators have been reporting the production under units or projects which skews the EOR cost calculation as well as the EOR UOCR recapture (for gas royalty)			Sev1
Since reconciliation is performed at a facility level the potential exists within Gas Royalty for manipulation of volumes reported between crown / freehold entities			Sev1
Confusion over royalty triggers			Sev1
Well groups unnecessary; computers can handle individual wells			Sev2
Confusion over Provisional Assessment volumes from facility to facility			Sev2
Can Provisional Assessment be delayed a month to allow	Sev		Sev2

for timely cleanup...currently not enough time appears to have been provided for this activity.			
If an operator allocates more than an owner's share to an owner, either the operator must rerun or an RMF2 must be done. It can be difficult to make this happen between players.	Sev		
Would be more useful if it had totals on it	Opp		
Redundant	Sev		
Rules violate business practices	Sev		
See attached on Provisional Assessment and OAS	Sev / Opp		

Provisional Assessment / OAS Issues

Currently, the ADOE will perform an OAS validation / reconciliation commencing on the 15th of every month. Any resulting errors are brought to industry's attention within one to one and a half weeks (approximately the 25th of the month). ADOE then calculates the Provisional Assessment on the unreconciled volumes. The Operator does not get an opportunity to amend prior to the Provisional Assessment being calculated. This results in potentially high invoice amounts one month and correcting invoiced amounts the next month. This may cause Cash flow management problems. Additionally, this lack of time to correct the erroneous OAS creates resentful feelings on the part of industry toward ADOE staff.

A suggestion would be to delay the billing of the Provisional Assessment by one month. If after that time the volumes have not been reconciled, then proceed with the calculation of Provisional Assessment. This way, industry will be given time to correct their errors and omissions. Companies that treat Provisional Assessments as a high priority will amend the documents as necessary thus avoiding the 'interest' costs associated with Provisional Assessment. This way, not everyone in industry will be penalized, but rather only those companies that do not place high priority to the timeliness/thoroughness of the OAS will be impacted. This suggestion, to delay the invoicing of Provisional Assessment for one month, was discussed at Business Design several months ago. Unfortunately, systems development priorities within ADOE preclude its immediate consideration.

A common sentiment among industry users is that the OAS is too complicated and should be replaced. However, there is a widely held opinion (shared by industry representatives on this task force) that the OAS, if properly understood and utilized, is not a difficult document. It is rather industry's lack of understanding / unwillingness to learn that is the root cause of the problems. There are several options to address this:

- do nothing to change the process and allow industry to 'muddle' along with the OAS
- replace the OAS
- change the rules regarding the OAS
- train industry

The first and last options are clearly not viable. Industry has been aware of the OAS and the associated reporting rules since 1994 and yet the required processes are not widely understood.

The second option is currently being contemplated and therefore will not be discussed here

The third option seems like a viable option. For all intents, the OAS has become simple and singularly a royalty document as it has not gained the industry-wide acceptance envisioned in 1992-93. As a result, the reporting rules should be changed so that industry reports only the crown requirements (i.e. Reconciliation / Royalty triggers) only. Items that are listed in the PRIDE manual for industry sharing purposes would be disregarded. This option combined with the training option may be a viable short-term option that should be considered. In this manner, the Production Accountants would only be focused on the required triggers (royalty) which may reduce the confusion.

Input Form: **OC1 Description: Facility Operator Change Form**
 Prepared By: Industry Operators Frequency: Unscheduled
 Volume: 40 per month
 Due Date: expected whenever the operatorship changes at an EUB facility
 Amendment Vol: High
 Used By: DOE Medium: Paper
 Used for: Updating the facility registry to ensure accurate operator information
 EUB Medium:
 Used for:
 Industry Medium:
 Used for:

ISSUE / OPPORTUNITY	Industry	EUB	DOE
Lack of awareness in Industry for the need to complete this form. If the form is not filed, the potential is OAS details may reject and provisional assessment could be given to the wrong operator. - Industry comments usually identify S docs had been filed - For S8, 20 and 21, the operator code is not reflected on these docs - For S1/S18 the operator code is reflected and a report is generated monthly to enable DOE to update any operator changes			Sev1
If the correct facility operator is not recorded on the registry and OAS operators cascading volumes to an upstream facility there is the potential an OAS detail line may reject and Provisional Assessment will occur.			Sev1
Retroactive facility operator changes may affect downstream operator and result in rejected previously accepted OAS data (PA)			Sev1
Comments: - who ultimately is responsible for filing (previous operator or current) - when previous and new operator do not agree on the effective date of the operator			
Should be a standard document for all facilities and filed once. Currently filed both at EUB and DOE.	Opp		

Input Form: Plant Statements

Prepared By: Operator

Frequency: Monthly

Volume:

Due Date: approximately 25th of each month

Amendment Vol: Low

Used By: DOE Medium: Paper

Used For:

EUB Medium:

Used for:

Advising Working Interest Owners of volume allocations and related activities

Medium: Paper and electronic if used through OAS

Used for: Financial reporting Volumes and income

ISSUE / OPPORTUNITY	Industry	EUB	DOE
Standardization of statements through OAS was the original intention, but OAS statements have become of very little WIO use, as most of industry doesn't submit the OAS on time. Most operators supply a plant statement as it is very valuable in booking the volumes & revenue reporting...Plant statements seriously require standards	Sev		

Input Form: P&NG Document

Prepared By: DOE Frequency: unspecified
Volume: 800 per month Due Date: 1 week following sale
Amendment Vol:
Used By: DOE Medium: Paper
Used for: contract with client as to terms and conditions
EUB Medium:
Used for:
Industry Medium:
Used for:

ISSUE / OPPORTUNITY	Industry	EUB	DOE
Accuracy critical			

Input Form: RMF1 Description: Consolidated Single Well Group Setup/Change Form

Prepared By: Industry Operators Frequency: Unscheduled
 Volume: 15 – 20 per month
 Due Date: end of the month
 Amendment Vol: medium
 Used By: DOE Medium: Paper
 Used for: to group well together with common ownership, vintage and crown interest for ease in OAS reporting
 EUB Medium:
 Used for:
 Industry Medium:
 Used for:

ISSUE / OPPORTUNITY	Industry	EUB	DOE
There should be no setup or change code of 1 and 2 on the form. Where codes are needed they should be more meaningful, such as "s" for setup, "C" for change, "T" for terminate etc. The codes seem confusing.			Sev1
Industry appears to be finding it difficult to maintain well groups and are reverting back to a single well reporting.			Sev1
Confusion exists on effective / termination dates and wells coming in/out of well groups			Sev1
Source of numerous OAS errors which results from lack of communication between partners or DOE to WI owners regarding well groupings. WI owners are not notified of new / cancelled well groups. This document is between the Operator and Crown only.	Sev		
Current process is acceptable in the interim, however suggest a registry be provided to enable companies to get a list of the well groups – projects as soon as available.	Opp		

Input Form: RMF2 Description: Reassignment of Volumes Setup / Change Form

Prepared By: Operators or Owners Frequency: Unscheduled
 Volume: 400 per month
 Due Date: end of the month
 Amendment Vol: high
 Used By: DOE Medium: Paper
 Used for: to reallocate all or part of OAS volumes that was assigned to an owner
 EUB Medium:
 Used for:
 Industry Medium:
 Used for:

ISSUE / OPPORTUNITY	Industry	EUB	DOE
The form is misused by Industry. The form has become a cheaper way for Industry to assign the volumes to a correct owner rather than the operator of the facility change or refile the OAS.			Sev1
Industry is changing the date prepared to match the concurrence or vice versa.			Sev2
Needs an amendment check box.			Sev2
Manual verification of the form / concurrence prior to in house data entry. Time consuming.			Sev2
Allegations some industry clients are forging concurrence. Recommend adding a signature box for authorization.			Sev1
Owner can have a problem getting concurrence, especially if operator has done an allocation incorrectly. Can be difficult to make an operator rerun. In dealing with historical issues, problems only get worse.	Sev		
Is it possible to reassign at a company level instead of well by well?			Sev
Timing has a potential problem when concurrence letter needs signing ...perhaps a larger window could be provided	Sev		
DOE has a record of RMF2s however they are not reflected on the invoice	Sev		
Crowns willingness to recognize the retroactive termination of well groupings by operators (see attachment)	Sev		

- 12% of the S1 documents filed have errors			
Retroactive well id changes affect the OAS reporting and results in rejects to already processed OAS detail lines and causing Provisional Assessment charges to a client	Sev		Sev1
AUEB sends "Confirmation & EUB changes to S-1" Form (PIDR070) They are very uninformative and do not clearly identify what was wrong	Sev		
AEUB makes keypunching errors when entering S-Data to their system and then later corrects it and issues this confirmation report. There is a potential for provisional assessment to have been triggered. Does this report have any value?	Sev?		
The S1 report is too detailed. Is there an opportunity to capture production at the pool level?	Sev	Opp	
Compliance mechanisms are clumsy and slow		Sev	
Too many carry forwards		Sev	

Input Form: S8 Description: Monthly Gas Gathering Statement

Prepared By: Operators Frequency: Monthly
Volume: 8000 Due Date: 15th of the month following production
Amendment Vol: 200-250 per month
Used By: DOE Medium: Electronic; Paper for amendments
Used for: Volumetric reconciliation
EUB Medium: Generally paper, 2 on mag. tape
Used for: - Interfaced to DOE
- Monitoring by field surveillance staff
- Continuity reporting of oil and gas production
- Market identification
- Gas co-product reserves estimation
Industry Medium:
Used for:

ISSUE / OPPORTUNITY	Industry	EUB	DOE
Legibility results in a high volume of data entry errors which could create volumetric reconciliation errors and therefore Provisional Assessments.			Sev1
Completion of the form is lacking as the character length on facility codes is not consistent (eg., ,Battery code is a 7 character entry yet the document may reflect between 5 – 8 characters).			Sev1
The input form used is not always the standard EUB form but in many cases, is an Industry created version which create difficulties in data entry.			Sev2
EUB does not require out-of –province gas. This requires a manual effort at DOE to receive paper documents, ensure coding is accurate / adjusted to include out of province gas. Recommendation to have the EUB accept all gas volumes within a facility.			Sev1
Operator code not included on S8 (refer to OC1 – facility operator change form)			Sev1
Very high error rates caused by entry errors		Sev	
Present data collection mechanisms are not optimal		Sev	
Too many carry forwards		Sev	

Input Form: S18 Description: Monthly Injection / Disposal Statement

Prepared By: Operators Frequency: Monthly
Volume: 2000 Due Date: 15th of the month following production
Amendment Vol:
Used By: DOE Medium: EDI; Paper for amendments
Used for: Volumetric reconciliation
EUB Medium: Mag Tape, PC diskette, paper
Used for:

- Interfaced to DOE
- Monitoring by field surveillance staff
- Continuity reporting of oil and gas production
- Market identification
- Resolving disputes between operators (hearings)
- Establish drilling programs
- Investigation of wells subject to shut-in
- Gas co-product reserves estimation

Industry Medium:
Used for:

ISSUE / OPPORTUNITY	Industry	EUB	DOE
EUB does not have any edits to stop an S18 from being processed when the disposal is greater than the receipts. Regardless of process this inaccurate data (when not corrected) is loaded onto the tape the DOE receives from the EUB. This situation creates a negative volume for the s reports thus both the s reports and the OAS volumes appear negative creating a positive volume discrepancy. Could result in Provisional Assessment.			Sev2
New fluid codes – Acid gas (20); when new codes are added the EUB and DOE must synchronize activities to prevent rejection of industry input forms.			Sev1
S18's which reject at EUB and then are subsequently corrected cannot be transmitted electronically to the DOE until the following month creating problems with the Operators reconciliation and potential Provisional Assessments.			Sev1
Serves too many masters. A copy is filed with AEUB and EP (Environment Protection) for H2O injection		Sev	
Very high error rates caused by inaccurate completion of the input document		Sev	
Present data collection mechanisms are not optimal		Sev	
Too many carry forwards		Sev	

Input Form: S20 Description: Monthly Gas Processing Statement

Prepared By: Operators Frequency: Monthly
Volume: 800 Due Date: 15th of the month following production
Amendment Vol: 60-100 monthly
Used By: DOE Medium: EDI; Paper for amendments
EUB Medium: Generally paper, 2 on mag. tape
Used for: Volumetric reconciliation
- Interfaced to DOE
- Reconciling gas royalties
- Publications
- Continuity reporting of oil and gas production
- Market identification
- Environmental management (flaring)
- Gas co-product reserves estimation

Industry Medium:
Used for:

ISSUE / OPPORTUNITY	Industry	EUB	DOE
EUB does not have any edits to stop an S20 from being processed when the disposal is greater than the receipts. Regardless of process this inaccurate data (when not corrected) is loaded onto the tape the DOE receives from the EUB. This situation creates a negative volume for the s reports thus both the s reports and the OAS volumes appear negative creating a positive volume discrepancy. Could result in Provisional Assessment.			Sev2
New fluid codes – Acid gas (20); when new codes are added the EUB and DOE must synchronize activities to prevent industry input documents from being rejected.			Sev1
S20's which reject at EUB and then are subsequently corrected cannot be electronically transmitted to the DOE until the following month creating problems with the Operators reconciliation and potential Provisional Assessments.			Sev1
Very high error rates caused by inaccurate completion of the input document		Sev	
Present data collection mechanisms are not optimal		Sev	
Too many carry forwards		Sev	

Input Form: S23 Description: Monthly Oil Sands Processing Plant Statement

Prepared By: Operators Frequency: Monthly
Volume: 2 Due Date: 15th of the month following production
Amendment Vol:
Used By: DOE Medium:
Used for: Used by Suncor and Syncrude Oil Sands Reporting reconciliation
EUB Medium: Paper
Used for: TBA
Industry Medium:
Used for:

ISSUE / OPPORTUNITY	Industry	EUB	DOE
TBA			

Input Form: S24 Description: Monthly Custom Treating Plant Statements

Prepared By: Operators Frequency: Monthly

Volume: 50 Due Date: 15th of the month following production

Amendment Vol:

Used By: DOE Medium:

 Used for:

 EUB Medium: Paper

 Used for: Audit deliveries from batteries; royalty calculations

 Industry Medium:

 Used for:

ISSUE / OPPORTUNITY	Industry	EUB	DOE
Not computerized	Sev		

Input Form: Schedule 1 & 11 – Enhanced Oil Recovery (EOR)

Description: Total cost estimates used for the current year relief

Prepared By: Scheme operator

Frequency: Annual

Volume: 50-60 annually

Due Date: October 31st prior year

Amendment Vol:

Used By: DOE Medium: Paper

Used For: Cost calculation

EUB Medium: ?

Used for: Industry Medium: ?

Used for:

ISSUE / OPPORTUNITY	Industry	EUB	DOE
None			

Input Form: Schedule 2 Description: Lists Capital Costs unique to EOR

Prepared By: Scheme Operator
Frequency: Annual
Volume: 50-60 annually
Due Date: June 30th for the subsequent year
Amendment Vol:
Used By: DOE Medium: Paper
Used For: Cost calculation
EUB Medium: ?
Used for:
Industry Medium: ?
Used for:

ISSUE / OPPORTUNITY	Industry	EUB	DOE
None			

Input Form: Schedule 5

Description: Volume and Dollar Value of non hydro carbons injected into EOR schemes

Prepared By: WIO

Frequency: Annual

Volume: 10-20 annually

Due Date: June 30th for the subsequent year

Amendment Vol:

Used By: DOE Medium: Paper

Used For: Cost calculation

EUB Medium: ?

Used for:

Industry Medium: ?

Used for:

ISSUE / OPPORTUNITY	Industry	EUB	DOE
None			

Input Form: Schedule 13 - EOR

Description: Breakthrough Volumes:

Prepared By: Scheme operator

Frequency: Annual

Volume: 50-60 each year

Due Date: June 30th for the subsequent year

Amendment Vol:

Used By: DOE Medium: Paper

Used For: calculation of total breakthrough gas (raw). Used as part of the overall 'cost' determination

Used for: EUB Medium: ?

Used for: Industry Medium: ?

ISSUE / OPPORTUNITY	Industry	EUB	DOE
None			

Input Form: Monthly Gas Transporter Statement

Prepared By: ? Frequency: Monthly
Volume: 5 Due Date: 15th of the month following production
Amendment Vol:
Used By: DOE Medium:
Used for:
EUB Medium: Paper
Used for: Publication
Industry Medium:
Used for:

ISSUE / OPPORTUNITY	Industry	EUB	DOE
None (EUB)			

Input Form: Statement

Description: 5% Royalty Rebate Section 9 of the Petroleum Royalty regulations

Prepared By: WIO

Frequency: Monthly

Volume: 4 active

Due Date: N/A

Amendment Vol:

Used By: DOE Medium: Paper

Used For: Cost calculation/benefit determination

Used for: EUB Medium: ?

Used for: Industry Medium: ?

ISSUE / OPPORTUNITY	Industry	EUB	DOE
None			

Input Form: Title Change Information – Freehold Mineral Rights Tax

Prepared By: Land Titles Frequency: daily

Volume: 20 per day Due Date: none

Amendment Vol: low

Used By: DOE Medium: paper

Used For: determining and processing applicable title changes

EUB Medium:

Used for:

Industry Medium:

Used for:

ISSUE / OPPORTUNITY	Industry	EUB	DOE
Information contains all title changes including non producing and non taxable titles making it a lengthy process to determine which must be actioned			Sev2

Input Form: FMRT Unit Value Submission

Prepared By: Industry and freehold owners

Frequency: Annual

Volume: 1185

Due Date: Jan 15th following the taxation year

Amendment Vol:..... High

Used By: DOE Medium: Paper, diskette and EDI
Used For: valuation input into the tax calculation

EUB Medium: ?

Used for:

Industry Medium: ?

Used for:

ISSUE / OPPORTUNITY	Industry	EUB	DOE
Concepts behind valuation submissions often misunderstood – incorrect valuations submitted (total tax recalculations run approximately 14%)			Sev

Input Form: VA1 Description: Election for Gas Valuation

Prepared By: Royalty Clients
 Frequency: Upon receiving status of new royalty client
 Volume: 3 per month
 Due Date: 45 days after receiving Royalty Client Status
 Amendment Vol: amendment from CAP to REF – medium
 Amendment from REF to CAP – N/A
 Used By: DOE Medium: Paper
 Used For: Gas / ethane valuation purposes
 EUB Medium:
 Used for:
 Industry Medium:
 Used for:

ISSUE / OPPORTUNITY	Industry	EUB	DOE
The 45 day deadline is proving to be unfair to clients who have no idea what to do when they become a royalty client and thus only realize they have missed the election when told by the DOE. Note: DOE will now prepare an information package identifying (among other things), the requirements to file a VA1. However the 45 day rule may need to be changed to 30 days after the first invoice.			Sev1
The “associates” portion of this form is grossly misunderstood by Industry. Regardless of what this field contains, the DOE must manually verify any associates the client has by performing a corporate search which is somewhat limiting. Current delivered software is not functioning as planned.			Sev1
As a Reference Price filer, issues have evolved around reference price determination/ causing adjustments and more work involved	Sev		
Very little value	Sev		

Input Form: VA2 Description: CAP Calculation Detail

Prepared By: Royalty Clients
 Frequency: Annual
 Volume: 80 annually
 Due Date: April 15th following year of production or Aug 15th with penalty
 Amendment Vol: Low
 Used By: DOE Medium: Paper
 Used For: Determine actual price to use for Gas/Ethane valuation
 subject to 90% of weighted annual reference price for
 the year
 EUB Medium:
 Used for:
 Industry Medium:
 Used for:

ISSUE / OPPORTUNITY	Industry	EUB	DOE
A VA1 requests a detailed breakdown of gas sales between aggregator, marketer, producer or end – user. Clients do not provide this much detail – the information is either arbitrarily entered under one column or simply place all valued under the sub-total. As the DOE does not monitor the sales to the various categories is there a need to continue this requirement?			Sev3
Application to be a CAP filer is very complex	Sev		

Input Form: VA3 Description: Annual Sulphur CAP

Prepared By: Royalty Clients
 Frequency: Annual
 Volume: 40 annually
 Due Date: April 15th following year of production
 Amendment Vol: Low
 Used By: DOE Medium: Paper
 Used For: Determine actual sulphur price to reverse any estimates previously charge monthly and now charge at actual price
 Used for: EUB Medium: ?
 Used for: Industry Medium: ?

ISSUE / OPPORTUNITY	Industry	EUB	DOE
Industry is not fully aware of the implications of the checking the "No Sales" box and differentiating sales with Production. Industry must be made aware that any sulphur production will be valued but at the default price. There is also a problem with differentiating between no sales and a negative revenue. RECOMMENDATION: a clearer more descriptive form be used to capture this information.			Sev2
Audit disputes; too much work	Sev		

Input Form: VA4 Description: Monthly Corporate Average Price Calculation for Sulphur

Prepared By: Royalty Clients

Frequency: Monthly

Volume: 20 annually

Due Date: 15th of the second month following the month of production

Amendment Vol: Medium

Used By: DOE Medium: Paper

Used For: Valuing clients at their own S-CAP price for the month and calculating the monthly sulphur default price

Used for: EUB Medium: ?

Used for: Industry Medium: ?

ISSUE / OPPORTUNITY	Industry	EUB	DOE
Subject to manipulation by reporting a significant higher price and then amending by a lower price.			Sev1
Very little value	Sev		