

September 17, 2008

INFORMATION BULLETIN 2008-07

Subject: Source of Oil Density for the New Royalty Framework (NRF)

The density of the oil produced is critical to ensure the correct oil royalty calculation in the New Royalty Framework. Alberta Energy has determined that the most accurate and accessible density records can be obtained from the Energy Resources Conservation Board (ERCB).

Effective January 1, 2009, the oil density used in the Crown crude oil royalty calculation will be the density for the pool that the well event is producing from. If no density is available for the pool, the density will be defaulted to Light (L) for conventional oil and Ultra heavy (U) for primary oil sands well events until a density is supplied by the ERCB.

ERCB has posted the current pool density listing on their website at www.ercb.ca. Select “What’s New” from the top menu bar; select “Announcements” on the left side menu under the heading “News”; and select the link “Announcement – September 11, 2008”. This is a one-time listing of the pool densities.

New pool densities and changes to existing densities will be reflected when enhancements to the Petroleum Registry of Alberta (PRA) go live. This is tentatively scheduled for November 2008. In PRA, the pool density will be displayed as a value on the “Query Well” screen and the “Well Infrastructure Report”. A future enhancement will also display the pool density on the “Query Well Status” screen.

The density used in the Crown crude oil royalty calculation will continue to be displayed on the “Query Well” screen as Heavy and Non Heavy as it does today; however, for the January 2009 production month, the display will change to Light (L), Medium (M), Heavy (H), Ultra heavy (U) and Default (D) to align with the NRF.

Any questions or concerns on a pool’s density should be directed to the ERCB.

For further information please contact:

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