

Information Bulletin POR 97-04

November 13, 1997

TO: Oil Royalty Clients

RE: Oil Royalty Benefits/Incentives System (ORBIS) Update

Information Bulletin POR 97-03, dated October 9, 1997 provided background on the Oil Royalty Benefits/Incentives System (ORBIS). The Petroleum and Other Royalties Branch implemented the ORBIS system during November 1997 for the production month of September 1997. **The retroactive well-by-well reevaluation has been completed for Operator Codes 001 to 961 and A10 to FM9.** Reevaluation of the remaining wells for all other Operator Codes will be completed in December 1997 for the production month of October 1997.

This reevaluation may require the revocation of incorrectly approved exemptions, or the granting of exemptions to wells that should have been receiving benefits. The reevaluation and recalculation will be **retroactive to January 1, 1993.**

Any changes to a well's royalty status will appear on your Crude Oil Crown Royalty Operator Statements. **Please review these statements carefully over the next few months and note any changes/adjustments.** Compare these changes/adjustments to your company records, and report any discrepancies to the Department as soon as possible.

The Department is committed to ensure that all clients pay royalty at the correct level, and obtain any exemptions or reductions to which they are entitled within the relevant legislation. If you have any questions or concerns regarding your royalty exemptions/reductions, please contact Laurie Schneider at (403) 422-9039 or by fax at (403) 427-0865.

The information letters and information bulletins relating to this reevaluation are available through the Internet at: <http://www.energy.gov.ab.ca/minops/minops.htm#ilib>; at the Calgary Information Centre, 3rd Floor Monenco Place, 801 6 Ave SW, Calgary; or by phone at (403) 422-9128 (voice-mail). When leaving a voice mail message please include your name, company affiliation, and your fax number. A list of all relevant information letters is attached for your reference.

Yours truly,

L. White
Executive Director, Petroleum and Other Royalties
Mineral Operations Division

Attachment

INFORMATION LETTERS FOR ORBIS IMPLEMENTATION

| IL Number | Incentive Program | Date of Release |
|-----------------------------|---|-------------------|
| 93-21 | Development Oil Royalty Holiday | August 18, 1993 |
| 93-12 | Development Oil Royalty Holiday | April 2, 1993 |
| 91-26 | Oil Royalty Incentive Regulation (A.R. 403/91) | December 19, 1991 |
| 93-13 | Horizontal Well Petroleum Royalty Amendment Regulation, A.R. 17/93 | April 2, 1993 |
| 91-9 | Horizontal Well Petroleum Royalty Regulation | March 26, 1991 |
| 92-6 Addendum to IL 91-9 | Horizontal Well Petroleum Royalty Regulation (A.R. 405/91) | March 16, 1992 |
| 91-27 | Reactivated Well Incentive Regulation (A.R. 404/91) | December 19, 1991 |
| 93-2 | Low-Productivity Well Royalty Reduction Regulation (A.R. 350/92) | January 11, 1993 |
| 93-3 | Reactivated Well Royalty Exemption Regulation (A.R. 352/92) | January 11, 1993 |
| 93-4 | Horizontal Re-Entry Well Royalty Reduction Regulation (A.R. 348/92) | January 18, 1993 |
| 93-8 | Third Tier Exploratory Exemption , A.R. 16/93 | March 1, 1993 |