October 7, 2011

OIL SANDS ROYALTY INFORMATION BULLETIN 2011-10

Subject: The Alberta Oil Sands Royalty Principles and Procedures

The Alberta Oil Sands Royalty Principles and Procedures (the Guidelines) describe the principles and procedures involved in:
- gaining approval for oil sands royalty Projects or Project amendments,
- reporting on oil sands operations, and
- paying oil sands (Projects and non-Project) royalties.

The Guidelines are interpretations of the relevant Legislation, namely the:
- Mines and Minerals Act, RSA 2000, c. M-17 (the Act),
- Oil Sands Royalty Regulation, 1997 (AR 185/97) (OSRR’97),
- Oil Sands Royalty Regulation, 2009 (AR 223/2008) (OSRR’09),
- Oil Sands Allowed Costs (Ministerial) Regulation (AR 231/2008) (OSAC), and

The Act, the Regulations and the Guidelines themselves are subject to regular reviews by the Department. They may be amended as required, in response to changing circumstances and business needs.

This is the first major amendment to the guidelines since November 1, 2006, and reflects the new Regulations that came into effect on January 1, 2009: the OSRR’09, the OSAC, and the BVMR. These Guidelines reflect the Department’s policies and procedures as of January 1, 2009 unless otherwise indicated. Stakeholders will be notified when the Guidelines are revised again.

The Guidelines are produced for the convenience of readers. The Guidelines provide a general understanding of the oil sands royalty legislation and the operating procedures used when royalty-related legislation is applied.

Oil Sands Royalty clients are encouraged to regularly check the Department’s website as these Guidelines reflect the ongoing policies and procedures of the Oil Sands Royalty Program and are subject to changes as required.

Should the Guidelines conflict with the Act or the OSRR ‘97, the OSRR ‘09, the OSAC, and the BVMR, the Act and Regulations will prevail.

To contact us for further information or clarification respecting Alberta’s Oil Sands Royalty regime, please refer to Appendix G, “Contact Information”.

Questions regarding this Information Bulletin may be directed to:

Rose Dykes                      John McInnes
Analyst,                        Senior Advisor,
Business Design                  Business Design
Oil Sands Strategy and Operations Oil Sands Strategy and Operations
Phone: (780) 427-5965           Phone: (780) 422-6693
Rose.Dykes@gov.ab.ca            John.McInnes@gov.ab.ca

Authorized by: Larry Ziegenhagel
Branch Head,                      Business Design and Evaluation Branch
Business Design and Evaluation Branch
Oil Sands Strategy and Operations Division