



Province of Alberta

MINES AND MINERALS ACT

EXPERIMENTAL OIL SANDS ROYALTY REGULATION

Alberta Regulation 347/1992

With amendments up to and including Alberta Regulation 89/2013

Office Consolidation

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(Consolidated up to 89/2013)

ALBERTA REGULATION 347/92

Mines and Minerals Act

EXPERIMENTAL OIL SANDS ROYALTY REGULATION

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Interpretation and application

1(1) In this Regulation,

- (a) repealed AR 89/2013 s10;
- (b) “experimental project” means a scheme or operation that
 - (i) is the subject of a subsisting approval given by the Regulator under the *Oil Sands Conservation Act* before August 1, 1997, and
 - (ii) is described in that approval as an experimental scheme for the recovery of oil sands or crude bitumen;
- (c) “Regulator” means the Alberta Energy Regulator.

(2) This Regulation applies with respect to

- (a) oil sands recovered after September 30, 1992 from the location of an agreement granting rights in respect of oil sands of the Crown as a result of an experimental project on that location, and
- (b) all products obtained from such oil sands,

but does not apply with respect to natural gas.

AR 347/92 s1;185/97;156/2001;89/2013

Royalty

2(1) The royalty to be computed, levied and collected by the Crown in right of Alberta on oil sands sold or otherwise disposed of during each month without processing or treatment and on all products obtained from such oil sands and sold or otherwise disposed of during each month is

- (a) 5% of the oil sands or products, as the case may be, free and clear of any deductions, where the approval in respect of the experimental project is in effect on October 1, 1992 and the holder of the approval gives the Minister a written notice not later than January 31, 1993 stating that he wishes the royalty rate prescribed in *The Experimental Oil Sands Royalty Regulations* (AR 287/77) to continue to apply, or
- (b) 1% of the oil sands or products, as the case may be, free and clear of any deductions, where no such notice is given.

(2) Subject to section 1(2)(a), where a notice is given in accordance with subsection (1)(a), subsection (1)(a) applies in respect of oil sands recovered and products obtained before, as well as after, the date of the notice.

(3) Subsection (1)(a) continues to apply until and including the month of the expiry date of the approval, as it read on October 1, 1992, and subsection (1)(b) applies after that month.

Sale of oil sands and products

3(1) In this section, “consideration” includes consideration other than money.

(2) Any sale or other disposition of oil sands or products of such oil sands shall, unless otherwise ordered by the Minister, include the royalty share of the oil sands or products that belongs to the Crown.

(3) Where oil sands or products of such oil sands, other than oil sands or products consumed or lost in the operation of the experimental project from which the oil sands or products were recovered or obtained, are sold or otherwise disposed of for no consideration or for consideration that, in the opinion of the Minister, is less than the amount the Minister considers to be the fair value of the oil sands or products, the Minister may determine the fair value of the Crown’s royalty share of those oil sands or products.

(4) There shall be paid to the Crown in respect of each part of the Crown’s royalty share of oil sands or products of such oil sands

that is sold or otherwise disposed of, an amount of money equal to the greater of

- (a) the actual selling price of the part, and
- (b) the fair value of the part, determined by the Minister under subsection (3),

less any deductions specified under section 5.

Consumed or lost oil sands and products

4 No royalty is payable on any oil sands or products of such oil sands that are consumed or lost in the operation of the experimental project from which the oil sands or products were recovered or obtained.

Deductions

5 The Minister may, for the purposes of section 3(4), specify the deductions that may be allowed for charges incurred in transporting the Crown's royalty share of oil sands or products of such oil sands.

Repeal

6 *The Experimental Oil Sands Royalty Regulations (AR 287/77)* are repealed.



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