



Province of Alberta

MINES AND MINERALS ACT

ENHANCED RECOVERY OF OIL ROYALTY REDUCTION REGULATION

Alberta Regulation 348/1993

With amendments up to and including Alberta Regulation 156/2014

Office Consolidation

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(Consolidated up to 156/2014)

ALBERTA REGULATION 348/93

Mines and Minerals Act

**ENHANCED RECOVERY OF OIL ROYALTY
REDUCTION REGULATION**

Table of Contents

1	Definitions
2	Application of Regulation
3	Application for royalty reduction
4	Approval of royalty reduction
4.1	Expansion of an enhanced recovery scheme
5	Royalty reduction
6	Relief
7	Categories of costs and allowances
8	Royalty rate
9	T-factor
10	Reporting information - relief estimate
11	Estimate of relief
12	Reporting information - initial actual relief
13	Initial actual relief
14	Attributing estimated relief
15	Adjustments - initial actual relief
16	Rate of interest
17	Interest - initial actual relief
18	Adjustments - revised actual relief
19	Interest - revised actual relief
20	Penalty - revised actual relief
21	More than one revised actual relief
22	Effect of payments
23	Determination by Minister
24	General requirement to provide information
25	Suspension, termination of approval
26	Suspension of royalty reduction
27	Penalty - information
27.1	Rebate for pre-1994 injection costs
28	Transitional

Consequential Amendments

- 29 Alta. Reg. 65/92
- 30 Alta. Reg. 348/92
- 31 Alta. Reg. 96/91
- 32 Alta. Reg. 350/92
- 33 Alta. Reg. 403/91
- 34 Alta. Reg. 248/90
- 35 Alta. Reg. 404/91
- 36 Alta. Reg. 352/92
- 37 Alta. Reg. 16/93
- 37.1 Expiry
- 38 Coming into force

Definitions

1 In this Regulation,

- (a) “allowance” means an allowance established by the Minister under section 7 for the purpose of calculating relief;
- (b) “approval” means the Minister’s approval of a royalty reduction under section 4;
- (c) “approved scheme” means an enhanced recovery scheme in respect of which there is an approval that has not been terminated and includes a scheme that has been continued under section 28;
- (d) “base recovery scheme” means a scheme that the Minister considers from time to time to be the most suitable scheme to obtain crude oil from a pool if only conventional techniques, such as waterflood or gas cycling, are used;
- (e) “Crown” means the Crown in right of Alberta;
- (f) “Crown reporting interest”, in respect of a relief client, means the whole or part of one or more working interests in crude oil obtained under an approved scheme in a Year that, in the Minister’s opinion, are attributable to the relief client;
- (g) “enhanced recovery scheme” means a scheme, other than a base recovery scheme, to obtain crude oil from a pool that

- (i) is required pursuant to section 38(a) of or approved pursuant to section 39(1)(a) of the *Oil and Gas Conservation Act*, and
 - (ii) uses the injection of hydrocarbons, carbon dioxide, nitrogen, chemicals or other material approved by the Minister;
- (h) “estimated relief” means the Minister’s estimate of relief referred to in section 11;
- (i) “initial actual relief” means the relief referred to in section 13;
- (j) “par price” in respect of crude oil obtained in a month is the quotient obtained by dividing the total value of the crude oil using the par prices prescribed under the *Petroleum Royalty Regulation* by the number of cubic metres obtained in that month;
- (k) “*Petroleum Royalty Regulation*” means, in respect of a month prior to January 2009, the *Petroleum Royalty Regulation* (AR 248/90), and in respect of January 2009 or a subsequent month, the *Petroleum Royalty Regulation, 2009*;
- (l) “pool” means a pool as defined in the *Oil and Gas Conservation Act*;
- (m) “relief” means the relief referred to in section 6;
- (n) “relief client” means a person who
- (i) holds at the end of a Year a working interest in crude oil obtained under an approved scheme or a person who represents one or more persons who hold at the end of a Year a working interest in crude oil obtained under an approved scheme, and
 - (ii) is determined by the Minister to be a relief client under section 23;
- (o) “revised actual relief” means relief that the Minister recalculates from time to time under section 50 of the Act;
- (p) “royalty reduction” means the royalty reduction referred to in section 5;
- (q) “working interest” means an undivided interest in crude oil derived under an agreement, other than a security interest;

- (r) “Year” means the months of the calendar year during which an enhanced recovery scheme is an approved scheme.

AR 348/93 s1;251/2001;121/2003;222/2008

Application of Regulation

2 This Regulation applies only to crude oil obtained in the years 1994 to 2013 inclusive and the period before 8:00 a.m. January 1, 2014.

AR 348/93 s2;156/2014

Application for royalty reduction

3(1) The operator of an enhanced recovery scheme or a proposed enhanced recovery scheme may apply to the Minister for a reduction of the royalty payable under the *Petroleum Royalty Regulation* in respect of crude oil obtained under the scheme.

(2) An application under subsection (1) must contain the information required by the Minister.

Approval of royalty reduction

4(1) The Minister may approve a royalty reduction in respect of crude oil obtained from a scheme if the Minister is of the opinion that, at the time the information required by the Minister has been received,

- (a) the scheme is an enhanced recovery scheme,
- (b) more crude oil is likely to be obtained from the enhanced recovery scheme than the base recovery scheme,
- (c) the costs estimated by the Minister for implementing and operating the enhanced recovery scheme would significantly exceed the costs estimated by the Minister for implementing and operating the base recovery scheme, and
- (d) the royalty reduction is in the public interest, which may include taking into consideration the extent of the impact of the royalty reduction on the royalty ultimately payable on crude oil obtained from the approved scheme.

(2) The Minister may in the approval establish terms and conditions relating to the scheme and may add to, change or delete those terms and conditions.

(3) An approval in respect of an enhanced recovery scheme is effective on the later of

- (a) the first day of the month that the application contains all the information required by the Minister, and
- (b) the first day of the month that material is injected under the enhanced recovery scheme.

AR 348/93 s4;121/2003

Expansion of an enhanced recovery scheme

4.1 The Minister may amend an approval under section 4(1) in respect of an approved scheme in order to approve a royalty reduction for any area added to the approved scheme if

- (a) the addition of the area was required pursuant to section 38(a) of the *Oil and Gas Conservation Act* or was approved pursuant to section 39(1)(a) of that Act,
- (b) the operator of the approved scheme submits an application to the Minister to amend the approval in respect of the area added, and
- (c) the Minister is of the opinion, at the time the application has been received by the Minister, that
 - (i) the area added is part of the enhanced recovery scheme,
 - (ii) more crude oil is likely to be obtained from the enhanced recovery scheme in the area added than from the base recovery scheme in the area added,
 - (iii) the costs estimated by the Minister for implementing and operating the enhanced recovery scheme in the area added would significantly exceed the implementation and operation costs estimated by the Minister of the base recovery scheme in the area added, and
 - (iv) the royalty reduction is in the public interest, which may include taking into consideration the extent of the impact of the royalty reduction on the royalty ultimately payable on crude oil obtained from the area added.

AR 121/2003 s4

Royalty reduction

5 The royalty payable to the Crown under the *Petroleum Royalty Regulation* on crude oil obtained under an approved scheme in a month of a Year is reduced by the quantity of crude oil calculated in accordance with the following equation:

$$Q = \frac{R}{P \times N}$$

where

“Q” is the quantity of the royalty reduction for the month in cubic metres;

“R” is the relief of the approved scheme for the Year;

“P” is the par price for the month;

“N” is the number of months in the Year.

Relief

6(1) The relief of an approved scheme for a Year is the sum of the relief attributable to all Crown reporting interests of the approved scheme for that Year.

(2) The relief attributable to a Crown reporting interest of an approved scheme for a Year is the lesser of clauses (a) and (b):

- (a) the product obtained by multiplying the following subclauses:
 - (i) the allowances allocated by the Minister to the Crown reporting interest for the Year;
 - (ii) the royalty rate of the scheme for the Year;
- (b) the sum obtained by adding together the amount for each month of the Year where the amount for each month is the product obtained by multiplying the following subclauses:
 - (i) the amount of crude oil obtained from the approved scheme for the month that is attributable to the Crown reporting interest;
 - (ii) the par price for the crude oil for the month;
 - (iii) the t-factor of the scheme on the first day of the month;
 - (iv) the royalty rate of the scheme for the Year.

Categories of costs and allowances

7(1) The Minister may establish categories of costs applicable to approved schemes for which an allowance may be allocated for the purpose of calculating relief and may add to, change or delete those categories of costs.

(2) The Minister may, for the purpose of calculating relief, establish allowances for costs incurred in an approved scheme that fall within a category of costs and may add to, change or delete those allowances.

(3) No allowance may be established for costs that would have been incurred under a base recovery scheme.

AR 348/93 s7;121/2003

Royalty rate

8 The royalty rate referred to in section 6(2) is the following fraction:

- (a) the denominator is the total amount of crude oil obtained under the approved scheme in a Year that is attributable to all the Crown reporting interests of the scheme for the Year;
- (b) the numerator is the product of the adjustment factor for the approved scheme for the Year determined by the Minister multiplied by the royalty payable to the Crown under the *Petroleum Royalty Regulation* on that crude oil.

T-factor

9(1) The t-factor of an approved scheme referred to in section 6(2) for a month is the lesser of 0.9 and the following fraction:

- (a) the numerator is the amount of incremental crude oil recoverable under the approved scheme;
- (b) the denominator is the total amount of crude oil that in the Minister's opinion remains to be recovered on the effective date of the approval for the scheme.

(2) The incremental crude oil referred to in subsection (1) recoverable from a pool under an approved scheme is the amount by which (a) exceeds (b):

- (a) the total amount of crude oil that in the Minister's opinion is recoverable under the approved scheme, and
- (b) the total amount of crude oil that in the Minister's opinion is recoverable under the base recovery scheme for the pool.

(3) In calculating the t-factor for an approved scheme for a month, the Minister is not bound by the amount in subsection (1) or (2) used to calculate the t-factor for the approved scheme in a previous month.

(4) If the Minister is of the opinion that insufficient information has been received to calculate a t-factor under subsection (1), the Minister may, when approving a royalty reduction under this Regulation for a scheme, establish a temporary t-factor for the scheme for each month of the period commencing the effective date of the approval and ending when the Minister is satisfied that sufficient information has been received to calculate a t-factor under subsection (1) for the scheme or 2 years from the effective date of the approval, whichever is earlier.

(5) A temporary t-factor established under subsection (4) in respect of the scheme for a month shall be used to calculate relief, estimated relief, interim actual relief or revised actual relief, as the case may be, for that month on an interim basis until the Minister is satisfied that sufficient information has been received to calculate a t-factor under subsection (1) for the scheme or 2 years from the effective date of the approval, whichever is earlier.

(6) Subject to subsection (8), if 2 years from the effective date of the approval the Minister is not satisfied that sufficient information has been received to calculate a t-factor under subsection (1), the temporary t-factor established under subsection (4) shall cease to be effective and the Minister shall use a temporary t-factor of zero to calculate relief, estimated relief, interim actual relief or revised actual relief, as the case may be, for each month thereafter.

(7) When the Minister calculates a t-factor under subsection (1) upon being satisfied that sufficient information has been received to do so and the t-factor is less than the temporary t-factor established under subsection (4), the Minister shall

- (a) for each month from the effective date of the approval up to and including the month that the t-factor is calculated, continue to use the temporary t-factor to calculate relief, estimated relief, interim actual relief or revised actual relief, as the case may be, and
- (b) for each month thereafter, use the t-factor to calculate relief, estimated relief, interim actual relief or revised actual relief, as the case may be.

(8) The Minister may extend the 2 years referred to in subsections (4) and (6) to 3 years if

- (a) the operator of the approved scheme submits an application to the Minister for such extension that contains the information required by the Minister, and

- (b) the Minister is of the opinion, at the time the information required by the Minister has been received, that exceptional circumstances exist.

AR 348/93 s9;121/2003

Reporting information - relief estimate

10(1) The operator of an approved scheme shall file or cause to be filed with the Minister by December 31 of each Year a report containing information required by the Minister for the purpose of calculating an estimate of the relief of the scheme for the following Year.

(2) A person who is or was an operator of an approved scheme, on receiving a request for information from the Minister for the purposes of estimating relief, shall provide the information specified in the request within the time specified in the request.

Estimate of relief

11(1) The Minister may from time to time estimate the relief for an approved scheme for a Year and notify the operator of the scheme of the amount of the monthly royalty reduction based on that estimate.

(2) The calculations for the estimated relief may be based on the information filed or provided under section 10 or on any information that the Minister considers to be appropriate.

(3) An operator may reduce the amount of crude oil that would otherwise be payable to the Crown as the royalty under the *Petroleum Royalty Regulation* on crude oil obtained under an approved scheme in a month by the amount of the royalty reduction specified for that month in the Minister's notice.

AR 348/93 s11;121/2003

Reporting information - initial actual relief

12(1) The operator of an approved scheme at the end of a Year and the relief clients of the approved scheme shall file or cause to be filed with the Minister by June 30 of the following year a report containing the information required by the Minister for the purpose of calculating initial actual relief.

(2) A person who

- (a) is or was an operator of an approved scheme,
(b) is or was a relief client, or

- (c) holds or held a working interest in crude oil obtained under an approved scheme,

on receiving a request for information from the Minister for the purposes of calculating initial actual relief shall provide the information specified in the request within the time specified in the request.

Initial actual relief

13(1) After each Year of operation of an approved scheme, the Minister shall determine the amount of relief attributable to each Crown reporting interest of an approved scheme and this amount is referred to in this Regulation as the initial actual relief.

(2) The calculations may be based on the information filed or provided under section 12 or on any information that the Minister considers to be appropriate.

Attributing estimated relief

14 The amount of estimated relief for a Year in respect of an approved scheme that is attributable to a Crown reporting interest of the scheme is the amount of the estimated relief for the scheme multiplied by the following fraction:

- (a) the numerator is the crude oil obtained under the approved scheme attributable to the Crown reporting interest for the Year;
- (b) the denominator is the crude oil obtained under the approved scheme attributable to all Crown reporting interests of the scheme for the Year.

Adjustments - initial actual relief

15(1) If the estimated relief attributable to a Crown reporting interest of an approved scheme for a Year exceeds the initial actual relief attributable to the Crown reporting interest for that Year, the excess is payable to the Crown by the relief client of the Crown reporting interest.

(2) If the initial actual relief attributable to a Crown reporting interest of an approved scheme for a Year exceeds the estimated relief attributable to the Crown reporting interest for that Year, the excess is payable by the Crown to the relief client of the Crown reporting interest.

Rate of interest

16 The rate of interest in respect of a day on which interest is payable under this Regulation is the annual rate of interest established by the Province of Alberta Treasury Branches as its prime lending rate on loans payable in Canadian dollars that is in effect on the first day of the month in which that day occurs plus 1%.

Interest - initial actual relief

17(1) In this section,

- (a) “total estimated relief” means the estimated relief attributable in a year to all Crown reporting interests of a relief client in all approved schemes;
- (b) “total initial actual relief” means the initial actual relief attributable in a year to all Crown reporting interests of a relief client in all approved schemes.

(2) For the purposes of this section, the total estimated relief and total initial actual relief attributable in a year to all Crown reporting interests of a relief client in all approved schemes do not include any relief attributable to a Crown reporting interest of the relief client for a period in that year during which

- (a) the approval of a scheme in respect of that Crown reporting interest was suspended, or
- (b) the royalty reduction in respect of the Crown reporting interest of the relief client in a scheme was suspended.

(3) If the total estimated relief attributable in a year to a relief client exceeds the total actual initial relief attributable in the year to the relief client by

- (a) more than 10% of the total actual initial relief, the relief client is liable to pay to the Crown interest on the excess calculated from January 1 of the following year to the day the excess is received by the Crown;
- (b) 10% or less of the total actual initial relief, the relief client is liable to pay to the Crown interest on the excess calculated from July 1 of the following year to the day the excess is received by the Crown.

(4) If the total estimated relief attributable in a year to a relief client is less than the total initial actual relief attributable in the year to the relief client by

- (a) more than 10% of the total initial actual relief, the Crown is liable to pay the relief client interest on the deficiency, calculated from January 1 of the following year to the day the cheque for the deficiency is requisitioned by the Minister's officials;
 - (b) 10% or less of the total initial actual relief, the Crown is liable to pay the relief client interest on the deficiency, calculated from July 1 of the following year to the day the cheque for the deficiency is requisitioned by the Minister's officials.
- (5) No interest is payable under this section if the amount of the interest is less than \$100 when,
- (a) in respect of a relief client making a payment, the amount upon which the interest is calculated is received by the Crown;
 - (b) in respect of the Crown making a payment, the cheque for the payment of the amount upon which the interest is calculated is requisitioned by the Minister's officials.

Adjustments - revised actual relief

18(1) If the initial actual relief attributable to a Crown reporting interest for a Year exceeds revised actual relief attributable to the Crown reporting interest for the Year, the excess is payable to the Crown by the relief client of the Crown reporting interest.

(2) If revised actual relief attributable to a Crown reporting interest for a Year exceeds the initial actual relief attributable to the Crown reporting interest for the Year, the excess is payable by the Crown to the relief client of the Crown reporting interest.

Interest - revised actual relief

19(1) If the initial actual relief attributable to a Crown reporting interest for a Year exceeds revised actual relief attributable to the Crown reporting interest for the Year, the relief client of the Crown reporting interest is liable to pay interest to the Crown on the excess from July 1 of the following year to the day the excess is received by the Crown.

(2) If revised actual relief attributable to a Crown reporting interest for a Year exceeds the initial actual relief attributable to the Crown reporting interest for the Year, the Crown is liable to pay interest to the relief client of the Crown reporting interest on the excess from July 1 of the following year to the day the cheque for the excess is requisitioned by the Minister's officials.

(3) For the purposes of this section, the initial actual relief and revised actual relief attributable in a Year to a Crown reporting interest of a relief client do not include any relief attributable to the Crown reporting interest for a period in that Year during which

- (a) the approval for the scheme in respect of that Crown reporting interest was suspended, or
- (b) the royalty reduction in respect of the Crown reporting interest of the relief client was suspended.

(4) No interest is payable under this section if the amount of the interest is less than \$100 when,

- (a) in respect of a relief client making a payment, the amount upon which the interest is calculated is received by the Crown;
- (b) in respect of the Crown making a payment, the cheque for the payment of the amount upon which the interest is calculated is requisitioned by the Minister's officials.

Penalty - revised actual relief

20(1) If, as a result of an audit or examination conducted by or on behalf of the Minister under the Act to determine the relief of an approved scheme, the initial actual relief attributable to a Crown reporting interest in respect of that scheme or another approved scheme for a Year exceeds revised actual relief attributable to the Crown reporting interest for that Year, the Minister

- (a) may impose, on the relief client of the Crown reporting interest, a penalty in an amount equal to 10% of the excess, and
- (b) shall, whether a penalty is imposed under clause (a) or not, give to the relief client of the Crown reporting interest a notice describing what, in the Minister's opinion, was the cause giving rise to the excess.

(2) If

- (a) the Minister has given notice to a relief client, referred to as the notified relief client, of an approved scheme under subsection (1)(b) in respect of a Year,
- (b) as a result of an audit or examination conducted by or on behalf of the Minister under the Act to determine the relief of the scheme referred to in clause (a) or another approved scheme for a later Year, the initial actual relief attributable to a Crown reporting interest of the notified

relief client in respect of the scheme referred to in clause (a) for that later Year exceeds revised actual relief attributable to the Crown reporting interest for that later Year, and

- (c) the Minister determines the cause giving rise to the excess was the same as or similar to the cause described in the notice,

the Minister may impose on the notified relief client a penalty not exceeding 50% of that part of the excess in respect of that later Year that the Minister considers to be attributable to that cause.

(3) Despite subsection (2), if

- (a) the Minister has given notice to a relief client of an approved scheme under subsection (1)(b) relating to excess relief in a Year and the cause giving rise to the excess was, in the Minister's opinion, of a particular kind attributable to the operator,
- (b) as a result of an audit or examination conducted by or on behalf of the Minister under the Act to determine the relief of the scheme referred to in clause (a) or another approved scheme for a later Year, the initial actual relief attributable to a Crown reporting interest in the scheme referred to in clause (a) for that later Year exceeds revised actual relief attributable to the Crown reporting interest for that later Year, and
- (c) the Minister determines the cause giving rise to the excess for the later Year was attributable to the operator and was the same as or similar to the kind of cause described in the notice,

the Minister may impose on the relief client of the Crown reporting interest a penalty not exceeding 50% of that part of the excess in respect of that later Year that the Minister considers to be attributable to that cause.

(4) No penalty may be imposed under this section if the amount of the penalty otherwise payable in the absence of this subsection would be less than \$1000.

(5) The relief client that is liable to a penalty imposed under this section for excess relief in a Year is also liable to pay to the Crown interest on the penalty from July 1 of the following year to the day the penalty is received by the Crown.

More than one revised actual relief

21 If the Minister has calculated revised actual relief attributable to a Crown reporting interest in an approved scheme for a Year and the Minister later calculates another revised actual relief in respect of that reporting interest for that Year,

- (a) sections 18, 19 and 20 apply to the later revised actual relief, and
- (b) the reference to initial actual relief in those sections is deemed to refer to the revised actual relief that had been calculated before the later revised actual relief.

Effect of payments

22 An amount paid under this Regulation by the Crown or a relief client that is an adjustment with respect to relief satisfies the obligation of the Crown or the relief client to return or deliver the quantity of royalty on crude oil that corresponds to the amount paid.

Determination by Minister

23 For the purposes of this Regulation, the Minister may determine

- (a) if a technique to obtain crude oil from a pool is a conventional technique,
- (b) the person who is or was the operator of an approved scheme,
- (c) the person who is or was a holder of a working interest in crude oil obtained under an approved scheme, and
- (d) the person who is or was a relief client of a Crown reporting interest.

General requirement to provide information

24 A person who

- (a) is or was an operator of an approved scheme,
- (b) is or was a relief client, or
- (c) holds or held a working interest in crude oil obtained under an approved scheme,

on receiving a request for information for the purposes of administering this Regulation, shall provide the information specified in the request within the time specified in the request.

Suspension, termination of approval

25(1) The Minister may suspend or terminate an approval in respect of an approved scheme if

- (a) the operator of the scheme requests suspension or termination of the approval,
- (b) the Minister is of the opinion that the primary function of the scheme is not the recovery of crude oil from a pool,
- (c) the operator of the approved scheme has
 - (i) failed to provide a report under section 10(1) or 12(1) in respect of the scheme by the date specified in that subsection, or
 - (ii) failed to provide information requested by the Minister under section 10(2), 12(2) or 24 within the time specified in the request,
- (d) the scheme is not being operated in accordance with the terms and conditions in the approval,
- (e) the Minister is of the opinion that the t-factor for the scheme is 0, or
- (f) the Minister is of the opinion that the scheme has concluded.

(2) When an approval in respect of an approved scheme is suspended, no royalty on crude oil obtained under the scheme may be reduced under this Regulation during the months that the suspension is in effect.

(3) After a suspension ends,

- (a) the royalty reduction in respect of crude oil obtained under the scheme for the months in which the suspension occurred is calculated as though there had been no suspension, and
- (b) the royalty reduction for the months in which the suspension occurred may only be realized through adjustments under section 15 or 18.

(4) If

- (a) an approval for a scheme is suspended,
- (b) the scheme is terminated before the suspension ends, and
- (c) the reason for the termination is substantially the same as the reason for the suspension,

there is no royalty reduction or relief under this Regulation in respect of that scheme for the months that the suspension was in effect.

Suspension of royalty reduction

26(1) The Minister may suspend a royalty reduction in respect of a Crown reporting interest in crude oil obtained under an approved scheme if

- (a) the relief client of the Crown reporting interest
 - (i) fails to provide a report under section 12(1) in respect of the scheme by the date specified in that section, or
 - (ii) fails to provide information requested by the Minister under section 12(2) or 24 within the time specified in the request,

or

- (b) an amount payable to the Crown under this Regulation is not paid to the Crown within 120 days after the Minister notifies the relief client of the Crown reporting interest that payment is required.

(2) When a royalty reduction in respect of a Crown reporting interest is suspended, no royalty on crude oil obtained from the scheme that is attributable to the Crown reporting interest may be reduced under this Regulation during the months that the suspension is in effect.

(3) After a suspension ends,

- (a) the royalty reduction in respect of crude oil obtained under the scheme for the months in which the suspension occurred that is attributable to the Crown reporting interest is calculated as though there had been no suspension, and
- (b) the royalty reduction for the months in which the suspension occurred may only be realized through adjustments under section 15 or 18.

(4) If

- (a) a royalty reduction in respect of a Crown reporting interest in an approved scheme is suspended,
- (b) the scheme is terminated before the suspension ends, and
- (c) the reason for the termination is substantially the same as the reason for the suspension,

there is no royalty reduction or relief in respect of the Crown reporting interest for the months that the suspension was in effect.

Penalty - information

27(1) If an operator of an approved scheme fails to file a report or provide information under section 12 within the time limits under section 12, the operator is liable to pay a penalty of \$1000 for each month or part of a month during which the failure continues.

(2) The Minister may waive a penalty referred to in subsection (1), on being satisfied that the failure to file or provide information within the time limits was due to circumstances beyond the control of the person required to file or provide it.

(3) No interest is payable on a penalty under subsection (1).

AR 348/93 s27;121/2003

Rebate for pre-1994 injection costs

27.1(1) In this section, “remaining total” means remaining total, as defined in section 9 of the *Petroleum Royalty Regulation* (AR 248/90) as of December 31, 2008, less reductions made under subsection (2)(a).

(2) The Minister may

- (a) rebate an amount not exceeding 5% of the royalty payable on crude oil for a month if the remaining total is reduced by an amount equal to the same percentage of the selling price or fair value of the crude oil on which the royalty on crude oil for the month is based, or
- (b) rebate a single lump sum amount determined by the Minister in respect of the remaining total, after which the remaining total is zero.

AR 222/2008 s12

Transitional

28(1) A scheme for which the Minister made a deduction under section 11 of the *Petroleum Royalty Regulation* for any month in 1993 is continued as an approved scheme under this Regulation.

(2) The document in which an operator was advised that the Minister would be making a deduction under section 11 of the *Petroleum Royalty Regulation* is continued as an approval under this Regulation.

(3) The Minister may at any time replace an approval referred to in subsection (2) with a new approval and may in the new approval establish terms and conditions relating to the scheme.

(4) The denominator referred to in section 9(1)(b) in the case of a scheme continued under subsection (1) is the total amount of crude oil that, in the Minister's opinion, remains to be recovered under the scheme on

- (a) June 1, 1990 in respect of a continued scheme for which the Minister made a deduction for any month prior to June, 1990, and
- (b) dates after June 1, 1990 that are specified by the Minister for all other continued schemes.

Consequential Amendments**Alta. Reg. 65/92**

29 The *Experimental Project Petroleum Royalty Regulation* (Alta. Reg. 65/92) is amended in section 1(c)(i) by adding "or obtained from a well event included in an approved scheme under the *Enhanced Recovery of Oil Royalty Reduction Regulation*" after "*Royalty Regulation*".

Alta. Reg. 348/92

30 The *Horizontal Re-entry Well Royalty Reduction Regulation* (Alta. Reg. 348/92) is amended in section 1(s) by adding "or that is an approved scheme under the *Enhanced Recovery of Oil Royalty Reduction Regulation*" after "*Royalty Regulation*".

Alta. Reg. 96/91

31 The *Horizontal Well Petroleum Royalty Regulation* (Alta. Reg. 96/91) is amended in section 1(k)(i) by adding "or obtained from a well included in an approved scheme under the *Enhanced Recovery of Oil Royalty Reduction Regulation*" after "*Royalty Regulation*".

Alta. Reg. 350/92

32 The *Low Productivity Well Royalty Reduction Regulation* (Alta. Reg. 350/92) is amended in section 1(n) by adding “or that is an approved scheme under the *Enhanced Recovery of Oil Royalty Reduction Regulation*” after “*Royalty Regulation*”.

Alta. Reg. 403/91

33 The *Oil Royalty Incentive Regulation* (Alta. Reg. 403/91) is amended in section 1(r) by adding “or that is an approved scheme under the *Enhanced Recovery of Oil Royalty Reduction Regulation*” after “under that section”.

Alta. Reg. 248/90

34 The *Petroleum Royalty Regulation* is amended

- (a) by adding the following after section 10:

Application of ss10 and 11

10.1 Sections 11 and 11.1 do not apply to crude oil recovered in 1994 or later years.

- (b) section 11.1 is amended by adding the following after subsection (5):

(6) No interest is payable under this section if the amount of the interest is less than \$100 when the excess estimated relief or excess actual relief is paid.

- (c) in section 12

- (i) in subsection (1)(d)(v) by striking out “section 11, or” and substituting “section 11 or a well included in an approved scheme under the *Enhanced Recovery of Oil Royalty Reduction Regulation*”;
- (ii) in subsection (6) by adding “or the *Enhanced Recovery of Oil Royalty Reduction Regulation*” after “section 11”.

Alta. Reg. 404/91

35 The *Reactivated Well Incentive Regulation* (Alta. Reg. 404/91) is amended in section 1(h) by adding “or that is an approved scheme under the *Enhanced Recovery of Oil Royalty Reduction Regulation*” after “(Alta. Reg. 248/90)”.

Alta. Reg. 352/92

36 The *Reactivated Well Royalty Exemption Regulation* (Alta. Reg. 352/92) is amended in section 1(k) by adding “or that is an approved scheme under the *Enhanced Recovery of Oil Royalty Reduction Regulation*” after “(Alta. Reg. 248/90)”.

Alta. Reg. 16/93

37 The *Third Tier Exploratory Well Royalty Exemption Regulation* (Alta. Reg. 16/93) is amended in section 2(3) by adding “or that is an approved scheme under the *Enhanced Recovery of Oil Royalty Reduction Regulation*” after “(Alta Reg. 248/90)”.

Expiry

37.1 This Regulation expires on December 31, 2018.

AR 121/2003 s9;156/2014

Coming into force

38 This Regulation comes into force on January 1, 1994.



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