



Application Information Guide

New Oil Sands Royalty Project Application under Part 2 section 10(1) of the *Oil Sands Royalty Regulation, 2009 (AR223/2008)* (“OSRR09”)

Definitions of terms used in this document and detailed explanations can be found in the *Oil Sands Royalty Guidelines*, located at <https://www.alberta.ca/oil-sands-forms.aspx>.

This document is intended to serve as a guideline of the minimum information required for a new Oil Sands Royalty Project application. It is assumed that the applicant has a good working knowledge of OSRR09, *the Oil Sands Allowed Costs (Ministerial) Regulation (AR231/2008)* (“OSAC”) and *the Oil Sands Royalty Guidelines*.

Information Requirements	Required for or by:	Reference Resources
1. Applicant has a Business Associate (BA) ID with the Alberta Department of Energy (“ADoE”)	ETS Access and online submission of application	Section 3.3 of the <i>Oil Sands Royalty Guidelines</i> For BA ID inquiries please contact the ADoE Client Registry at 780-422-1395
2. Applicant has an active ETS Account	ETS Access and online submission of application	Section 3.3 of the <i>Oil Sands Royalty Guidelines</i> For ETS or OASIS inquiries please contact the ADoE Client Registry at 780-422-1395
3. Application includes the name of the operator of the Project	OSRR09 section 10(2)(i)	Section 2.3.5 of the <i>Oil Sands Royalty Guidelines</i>
4. Applicant is a lessee of the mineral agreements to be included in the proposed Project (i) Application includes identification and contact information for all lessees	OSRR09 section 10(1)	Section 3.2 of the <i>Oil Sands Royalty Guidelines</i>

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<p>(ii) If the operator is not the sole lessee, the application includes a letter from each project lessee clearly authorizing or consenting to the application being made by the operator</p> <p>(iii) Application includes a letter from each project lessee clearly authorizing or consenting to the application being made by the designee (If the application is made by the project lessee's designee)</p>		
<p>5. The proposed Project includes the whole or part of one or more approved ERCB schemes</p> <p>(i) Application includes a copy of the current ERCB scheme(s) and a copy of each prior ERCB scheme or amendment</p> <p>(ii) Application includes a copy of the current ERCB scheme application(s) and a copy of each prior ERCB scheme or amendment application</p>	OSRR09 section 10(1)(a)	Section 2.2.1 of the <i>Oil Sands Royalty Guidelines</i>
<p>6. The proposed Project contemplates recovery of oil sands from Crown rights only</p>	OSRR09 section 10(1)(b)	Section 2.3.4 of the <i>Oil Sands Royalty Guidelines</i>
<p>7. Application includes a processing plant if the proposed Project is a mining operation</p>	OSRR09 section 10(1)(c)	
<p>8. Application includes a proposed description of Project operations, including:</p> <p>(i) The recovery methods and technology that will be used</p> <p>(ii) Reserves Report for the proposed Project with appropriate sign-off and supporting documents. The information in the reserve report must agree with data reported in Economic Evaluation form.</p> <p>(iii) Expected production profile, including the peak production capacity of the proposed Project</p> <p>(iv) Development plans (including approved corporate budgets) and full life cycle development schedule of the proposed</p>	OSRR09 section 10(2)(a)	<p>Section 3.3.3.5.3 of the <i>Oil Sands Royalty Guidelines</i></p> <p>IB 2015-07</p>
	OSRR09 section 11(1)(a)	

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(vi) all components of the proposed Project Geographic locations of all components of the proposed Project	OSRR09 section 11(1)(b)	
9. Application includes a listing and description of the wells to be included in the proposed Project (If production is solely from specified wells)	OSRR09 section 10(2)(a.1)	Section 3.3.3.5.4 of the <i>Oil Sands Royalty Guidelines</i>
10. Application includes a description of the integrated project, including the integrated shared operations and the integrated upgrader, if the proposed Project forms part of an integrated project	OSRR09 section 10(2)(a.2)	Section 4.2.3.4 of the <i>Oil Sands Royalty Guidelines</i>
11. Application includes a listing of the kinds of oil sands products to be recovered by the Project	OSRR09 section 10(2)(b)	Section 2.3.6.2 of the <i>Oil Sands Royalty Guidelines</i>
12. Application includes: (i) A description of the physical location of the Royalty Calculation Point (RCP) (ii) The type of measurement devices located at the RCP (iii) The expected accuracy of measurement of project substances at the RCP (iv) any other important information about the measurement devices	OSRR09 sections 10(2)(d)	Sections 3.3.3.5.3 and 4.1 of the <i>Oil Sands Royalty Guidelines</i>
13. For capital assets and engineering systems the application includes: (i) a detailed description of the capital assets and engineering systems proposed to be included in the Project based on meeting or exceeding the Project use threshold (PUT) of 75% (ii) the Project use of each of the capital assets and engineering systems proposed to be included in the Project based on sound engineering practice (iii) location of capital assets and engineering systems proposed to be included in the Project	OSRR09 section 10(2)(c), 10(2.1) and 10(2.2)	Sections 2.3.8 and 5.1 of the <i>Oil Sands Royalty Guidelines</i>

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<ul style="list-style-type: none"> (iv) proposed allocation of costs of the capital assets and engineering systems proposed to be included in the Project (v) the regulatory approvals and/or licence for the capital asset and/or engineering system (vi) the steady state throughput (normal operating mode) and capacity (design basis) of each capital assets and engineering systems proposed to be included in the Project 		
<p>14. For measured use assets the application includes:</p> <ul style="list-style-type: none"> (i) a description of any measured use assets that support the Project, but are not proposed to be included in the Project (does not meet PUT) (ii) a proposed allocation of costs for each measured use asset (iii) the steady state throughput (normal operating mode) and capacity (design basis) of each measured use asset that supports the Project (iv) the Project use of the measured use assets that support the Project as a percentage of the total use of the measured use assets for all purposes (v) a description of all key measurement devices expected to be used for all measured use systems. A description should include the physical description of the measurement devices, their physical location, the expected accuracy of the devices, and any other important information about the measurement devices. 	OSRR09 section 10(2)(c.1), 10(2.1) and 10(2.2)	Sections 2.3.8, 3.3.3.5.5, and 5.1 of the <i>Oil Sands Royalty Guidelines</i>
<p>15. Application includes:</p> <ul style="list-style-type: none"> (i) a description of all other assets expected to be of material relevance to the Project (e.g. CPFs, batteries, pipelines, roads, source water wells & infrastructure, disposal wells, power generation and transmission facilities, water treatment facilities, storage & tankage 	OSRR09 section 10(2)(d)	Section 2.3.8 of the <i>Oil Sands Royalty Guidelines</i>

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<p>facilities, product transportation facilities, steam generation facilities, camp facilities, office facilities, maintenance facilities, gravel pits, landfills, airstrips, parking lots etc.)</p> <p>(ii) the regulatory approvals/licences of any assets/facilities to be included in the proposed Project</p> <p>(iii) the steady state throughput or capacity for each component, asset and/or facility to be included in the proposed Project</p> <p>(iv) the Project use threshold for each component, asset and/or facility to be included in the proposed Project</p>		
<p>16. Application includes:</p> <p>(i) a description of the area and strata from which oil sands or oil sands products will be recovered by the Project</p> <p>(ii) a description of the surface areas occupied by the project</p> <p>(iii) key reservoir/deposit properties such as area, average net pay, porosity, oil saturation, approximate gross OBIP, depth, temperature, pressure, permeability</p> <p>(iv) key bitumen properties such viscosity, API, TAN and sulphur content</p>	OSRR09 section 10(2)(e)	Section 2.3.7 of the <i>Oil Sands Royalty Guidelines</i>
<p>17. Application includes:</p> <p>(i) a listing and description of any non-arm's length transactions expected to occur for the supply of any capital assets, engineering systems, goods or services for the Project</p> <p>(ii) a listing and description of any non-arm's length transactions expected to occur for the supply of any capital assets, engineering systems, goods or services produced or generated pursuant to the Project, other than for the purposes of the Project</p>	OSRR09 section 10(2)(f)	Section 6 of the <i>Oil Sands Royalty Guidelines</i>
<p>18. Application includes the proposed effective date of the Project</p>	OSRR09 section 10(2)(g)	Section 2.3.10 of the <i>Oil Sands Royalty Guidelines</i>

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<p>19. Application includes a proposed calculation of the prior net cumulative balance (“PNCB”) for the Project</p> <ul style="list-style-type: none"> (i) PNCB has been prepared using the current version of the PNCB form, located on the ADoE’s website (ii) Transaction level cost and revenue detail is provided in the PNCB backup information (iii) Application includes a detailed chronology of project activities conducted in the 4th and 5th years to prove diligent pursuit of an ERCB approval, in cases where a 5 year PNCB is requested 	OSRR09 section 10(2)(h)	Section 2.3.11 of the <i>Oil Sands Royalty Guidelines</i>								
<p>20. Application includes an economic evaluation for the Project.</p> <ul style="list-style-type: none"> (i) The economic evaluation has been prepared using the current version of the Economic Evaluation form, located on the ADoE’s website 	AR 223 Section 11(1)(e)	Section 2.2.3.3 of the <i>Oil Sands Royalty Guidelines</i>								
<p>21. A complete application must be signed by an authorized officer of the lessee of the proposed Project and include the text below:</p> <p>Required Text for Signature Lines</p> <p>We confirm the preceding information to be accurate and consent to provide the Department with access to all records relating to any physical or financial component necessary to verify the project’s prior net cumulative balance. We agree to abide by the provisions of the <i>Oil Sands Royalty Regulation, 2009</i> (AR 223/2008), and associated Ministerial regulations.</p> <p>We understand that it is our responsibility to report to the Department any changes made to the project, and that these changes may require an application to amend the oil sands royalty project approval for continued application of the provisions of the <i>Oil Sands Royalty Regulation, 2009</i> (AR 223/2008).</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Authorized Officer</td> <td style="width: 50%;">Person Who Completed the Application</td> </tr> <tr> <td>Name _____</td> <td>Name _____</td> </tr> <tr> <td>Signature _____</td> <td>Signature _____</td> </tr> <tr> <td>Position _____</td> <td>Position _____</td> </tr> </table>			Authorized Officer	Person Who Completed the Application	Name _____	Name _____	Signature _____	Signature _____	Position _____	Position _____
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Questions? Contact:										

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<p>Manfred Pade, P.Eng, MBA Director, Project Engineering & Approvals Oil Sands Division 6th Floor North Petroleum Plaza 9945 108 Street Edmonton, AB T5K 2G6 (780) 638-1345 OSRAApplications.Energy@gov.ab.ca</p>		