



January 11, 2019

INFORMATION BULLETIN 2018-05

Subject: MRF Cost Estimates and Penalties

Under the Modernized Royalty Framework, companies are required to submit estimates and actual costs to Petrinex for the well activities of drilling, completion, re-completion and re-entry. As of January 1, 2019, the requirement to submit cost estimates will be removed for all 2019 wells with an active status. Wells with an active status in 2018 or earlier will still be required to have cost estimates submitted by the respective deadline.

There are no changes for the submission of actual costs, which will still be required by the end of April following the year the well was given an active status.

Penalties for missing actual costs will be implemented for April 2019. Any well events that do not have their actual cost submissions completed by their April 30th deadline will be subject to penalties. Please use the 'Annual MRF Drilling & Completion Non-Compliance Report' in Petrinex to identify which well events require actual cost submissions for the approaching deadline. The MRF guidelines are available on the Alberta Energy website (<https://www.energy.alberta.ca/Oil/LGP/Pages/Guidelines.aspx>) and can assist in determining when and how to submit actual costs as well as how penalties will be charged.

If you have any questions, please email Energy.MRFInquiries@gov.ab.ca

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