



**October 1, 2018**

**INFORMATION BULLETIN 2018-01**

**Subject: Total Proppant Placed Equivalent Multiplier, Coated Sand Defined**

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With the introduction of the Modernized Royalty Framework (MRF), a Total Proppant Placed Equivalent (TPPe) multiplier was included in the C\* calculation to account for the increased costs associated with performance enhancing proppants used to fracture a well. To aid in the understanding and qualification for the different proppant multipliers, Alberta Energy has clarified the definition of “Coated Sand”. This definition, as shown below, will be retro-actively applied back to the MRF effective date of January 1, 2017.

“Coated Sand: Sand that is treated with a permanent coating that improves its baseline conductivity by at least 50%, compared to the baseline conductivity of the same uncoated sand, under the same stress conditions. This conductivity enhancement must be in accordance with ISO 135503-5 or its equivalent. The Department may request independent laboratory tests as evidence of eligibility.”

The TPPe chart can be found on the Alberta Energy website under About Royalties in the FAQ section (<https://www.energy.alberta.ca/AU/Royalties/Pages/default.aspx>).

For further information regarding this information, please email MRF inquiries at [Energy.MRFInquiries@gov.ab.ca](mailto:Energy.MRFInquiries@gov.ab.ca).

**Authorized by:** Perry Zyla  
Director, Oil Royalty Operations  
Resource Revenue and Operations