



Oil Sands Operations  
Operational Policy  
Business Rules

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File No.

March 19, 2009

**OIL SANDS INFORMATION BULLETIN 2009-05**

**SUBJECT: Oil Sands Industry-Government Groups, Tenure and Royalty**

The Department of Energy, Oil Sands Operations Division would like to re-establish regular meetings with industry on matters of oil sands tenure and oil sands royalty. The purpose of these meetings would be to provide a forum for Oil Sands Operations and oil sands lessees and operators to communicate and consult with each other on issues relating to the operation, administration and development of the oil sands tenure regime and the generic oil sands royalty regime. We envision having two separate groups, one dedicated to oil sands tenure issues and one dedicated to oil sands royalty issues.

Oil Sands Operations has prepared proposed terms of reference for a tenure group and a royalty group (see attachments). Please review the terms of reference and provide your comments and suggestions to either of the contacts below by April 17<sup>th</sup>. Please also provide us with the names of individuals who would be attending either the tenure group meetings or royalty group meetings on behalf of your company or organization.

Rose Dykes  
Business Rules  
Oil Sands Operations  
(780) 427-5965

Colin Pate  
Business Rules  
Oil Sands Operations  
(780) 427-6513

Sincerely,

Anne Denman  
Executive Director  
Oil Sands Operations

Attachments:

Terms of Reference – Tenure.pdf  
Terms of Reference – Royalty.pdf

**DRAFT**  
**Terms of Reference**  
**Oil Sands Royalty Group**  
**March 18, 2009**

**Purpose**

To provide a forum for the Department of Energy, Oil Sands Operations Division and oil sands operators to communicate and consult with each other on issues relating to the operation, administration and development of the generic oil sands royalty regime.

**Scope**

Subject matter must be within the mandate of the Department of Energy and Oil Sands Operations Division, and related to the *Oil Sands Royalty Regulation, 2009*, the *Oil Sands Allowed Cost (Ministerial) Regulation*, the *Bitumen Valuation (Ministerial) Regulation*, or the *Oil Sands Royalty Guidelines*.

Topics may include oil sands royalty project approvals (in general), royalty accounting and reporting processes, guidelines and business rule development, legislative and policy updates, and emergent oil sands-related trends and issues. The forum will not deal with approval, reporting or any other issues relating to a specific oil sands royalty Project.

**Participants**

The group will consist of selected government representatives from Oil Sands Operations and industry representatives. Industry representatives should be current oil sands operators or holders of oil sands leases. In the interests of fairness and efficiency we suggest that no more than two industry representatives appear from each oil sands operator.

**Scheduling and Venue**

Meetings will be held in Edmonton, every three months or as determined by the group.

**Governance**

The group will be chaired by the Executive Director of the Oil Sands Operations Division, or her delegate. The chairperson will keep the proceedings focussed within the scope described in this document. The chairperson will canvass group members for agenda topics for future meetings, ensure that comments from industry representatives are considered, and keep Department of Energy Executive informed of group progress and member input. The chairperson will also ensure that any subgroup fulfills its terms of reference, if any.

### **Secretary**

The chairperson may establish the position of secretary, who will arrange for minutes, establish meeting agendas, coordinate meetings, and ensure that minutes and agendas are completed and distributed prior to meetings.

### **Expert Stakeholder Subgroups**

Where the chairperson believes it to be beneficial, the group may refer a problem or issue that is within the scope of the group to a smaller group of department and industry experts for study and recommended resolution. The chairperson may ask the subgroup for terms of reference and a work plan for resolution of the problem or issue. The subgroup may choose its own members, who will be expected to provide expertise in royalty accounting and reporting, oil sands engineering, and government processes.

**DRAFT**  
**Terms of Reference**  
**Oil Sands Tenure Group**  
**March 18, 2009**

**Purpose**

To provide a forum for the Department of Energy, Oil Sands Operations Division and oil sands operators to communicate and consult with each other on issues relating to the operation, administration and development of the oil sands tenure regime.

**Scope**

Subject matter must be within the mandate of the Department of Energy and Oil Sands Operations Division, and related to the *Oil Sands Tenure Regulation* or *Oil Sands Tenure Guidelines*.

Topics may include, for example, minimum level of evaluation (MLE) and minimum level of production (MLP) requirements (in general), escalating rentals, the *Oil Sands Tenure Guidelines*, legislative and policy updates, and emergent oil sands tenure-related trends and issues. The forum will not deal with the specifics of any particular lease, nor with issues such as the Land Use Framework, Lower Athabasca Regional Plan, or other such policy initiatives.

**Participants**

The group will consist of selected government representatives from Oil Sands Operations and industry representatives. Industry representatives should be current oil sands operators or holders of oil sands leases. In the interests of fairness and efficiency we suggest that no more than two industry representatives appear from each oil sands lessee.

**Scheduling and Venue**

Meetings will be held in Edmonton, twice a year or as determined by the group.

**Governance**

The group will be chaired by the Executive Director of the Oil Sands Operations Division, or her delegate. The chairperson will keep the proceedings focussed within the scope described in this document. The chairperson will canvass group members for agenda topics for future meetings, ensure that comments from industry representatives are considered, and keep Department of Energy Executive informed of group progress and member input. The chairperson will also ensure that any subgroup fulfill its terms of reference, if any.

### **Secretary**

The chairperson may establish the position of secretary, who will arrange for minutes, establish meeting agendas, coordinate meetings, and ensure that minutes and agendas are completed and distributed prior to meetings.

### **Expert Stakeholder Subgroups**

Where the chairperson believes it to be beneficial, the group may refer a problem or issue that is within the scope of the group to a smaller group of department and industry experts for study and recommended resolution. The chairperson may ask the subgroup for terms of reference and a work plan for resolution of the problem or issue. The subgroup may choose its own members, who will be expected to provide expertise in terms of oil sands tenure and leasing issues.