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OIL SANDS INFORMATION BULLETIN 2013-03

Subject: Automation of Oil Sands Tenure Escalating Rental Charge

This Information Bulletin is for all oil sands lessees with agreements that are subject to escalating rental pursuant to Section 17 of the [Oil Sands Tenure Regulation, 2010](#) (OSTR'10). All oil sands agreements that are continued and designated as non-producing by the Minister are subject to an escalating rental charge. This Information Bulletin serves as a notice to oil sands lessees with respect to the change in processing and remittance of escalating rental.

Effective January 28, 2013, all oil sands escalating rental charges will be automated by Alberta Energy. Therefore, oil sands lessees with agreements that are subject to escalating rental will notice an escalating rental charge on its monthly statement. The escalating rental charge, similar to annual rent, will be issued three (3) months in advance of the required due date. Please note that pursuant to subsection 17(2) of the OSTR'10, escalating rental for a term year of a lease is due and payable thirty (30) days after the last day of that term year. Unless otherwise specified by the lessee, all payments of escalating rental will be auto debited from the lessee's designated financial institution account on the due date.

Subject to Sections 19 to 25 of the OSTR'10, lessees that are eligible for upgrader credits or incur expenditures for research, exploration, and development activities can continue to use these credits or expenditures to offset or reduce the escalating rental payment. All offsets submitted by the lessee or the designated representative are subject to an audit by the Minister. Lessees that submit offsetting credits or expenditures after the escalating rental payment had been auto debited by Alberta Energy will have to apply for a refund when making its escalating rental offset request.

Questions regarding this Information Bulletin may be directed to:

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