



November 7, 2013

## **OIL SANDS INFORMATION BULLETIN 2013-21**

### **Subject: Penalty Assessment for Late or Missing Submissions**

#### Assessment of Late-Filing Penalties

Section 44 of the [Oil Sands Royalty Regulation, 2009 \(OSRR'09\)](#) describes penalties that may be assessed to an operator who fails to submit any required reports to Alberta Energy by the due dates. These reports include, but are not limited to: Operator Changes under section 36; Operator's Forecasts under section 37; Monthly Royalty Calculations (MRC), Good Faith Estimates (GFE) and Non-Project Royalty (NPR) reports under section 38; End of Period Statements (EOPS) under section 39, including Statements of Approval and external Auditor's Opinions; and Cost Analysis and Reporting Enhancements (CARE) reports under section 38.1. In the event of zero production volumes, operators are still required to submit the reports by the due dates.

Pursuant to Section 5 of the *OSRR'09*, Alberta Energy may reject any document that does not meet the requirements of that section and the report will be deemed not to have been furnished and penalties may be assessed.

- ⇒ The penalty for failure to submit any required report – except an ad hoc report, under section 40 - by its due date is \$5,000 for each month or part of a month during which the failure continues. Please refer to the attached [Appendix](#) for the reports' due dates.

#### Assessment of Late-Filing Penalties – Ad Hoc Reports

Subsection 44(3) of the *OSRR'09* describes the late submission penalties that may be assessed to a person who fails to submit an ad hoc report under section 40 to Alberta Energy by its due date.

- ⇒ The penalty for failing to submit an ad hoc report by the deadline specified by the Minister in his notice is \$5,000 for each day during which the failure continues.

#### CARE Reports

CARE Revenue reports are stream based, and may include information from multiple Projects. If a CARE Revenue report is submitted late, a late submission penalty will be assessed to the operator and not for each individual Project.

CARE Cost reports and CARE Project Workbooks are Project based. If a CARE Cost or CARE Project Workbook is submitted late, a late submission penalty will be assessed to the Project.

## Replacement Reports

Pursuant to subsection 41(2), on receipt of a notice from Alberta Energy to submit a replacement report to correct a deficiency in the report, if the replacement report submitted by the operator does not correct the deficiency, the report will be considered not to have been filed and the operator may be assessed a penalty. Any replacement report submitted is subject to the provisions of the *OSRR'09*, and must be accompanied by a Statement of Approval and, where applicable, an external Auditor's Opinion.

- ⇒ The penalty for failing to submit a replacement report under section 41, or the accompanying Statement of Approval or applicable external Auditor's Opinion in respect of the replacement report, by its due date is \$5,000 for each month or part of a month during which the failure continues.

## Payment of Penalties

When a project operator has been notified of a penalty assessment, penalties must be paid within 30 days of the notice. Interest is calculated on unpaid penalty assessments as per subsection 45(1) of the *OSRR'09*.

Section 46 of the *OSRR'09* indicates that compensation is applied against an operator's account in the following order:

1. Penalties
2. Interest
3. Royalty compensation

## Electronic Transfer System (ETS)

Further to [Information Bulletin 2009-18](#), unless otherwise directed, royalty submissions (monthly MRC and GFE, EOPS, Statement of Approval, Auditor's Opinion and NPR ) must be submitted through Oil Sands Royalty Reporting in the Alberta Energy's Electronic Transfer System (ETS). CARE and Operator's Forecast must be submitted through Correspondence in ETS. We encourage operators to continue to direct any inquires to the OS Reporting Mailbox: [Email:OSReport@gov.ab.ca](mailto:Email:OSReport@gov.ab.ca)

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## Appendix: Report Due Dates

<b>Royalty Report</b>	<b>Due Date</b>
Monthly Royalty Calculation (MRC)	Last day of the month following the production month
Monthly Good Faith Estimate (GFE)	Last day of the month following the production month
Non Project Royalty (NPR)	Last day of the month following the production month
End of Period Statement (EOPS)	Within three months following the end of the Period
Operator's Forecasts	November 30 <sup>th</sup> of each year
Ad hoc report	As notified by the Minister
Statement of approval	Same due date as underlying report
Auditor's opinion (if required)	Same due date as underlying report

<b>CARE Reports</b>	<b>Due Date</b>
Cost Report	1st Qtr – May 20 <sup>th</sup> 2nd Qtr – August 20 <sup>th</sup> 3rd Qtr – November 20 <sup>th</sup> 4th Qtr – April 30 <sup>th</sup> of the following year
Revenue Report	1st Qtr – May 20 <sup>th</sup> 2nd Qtr – August 20 <sup>th</sup> 3rd Qtr – November 20 <sup>th</sup> 4th Qtr – February 20 <sup>th</sup> of the following year
Project Workbook	June 30 <sup>th</sup> of the following year
Reservoir Data (In-Situ Projects)	Filed upon initial oil sands project assessment and updated with project expansion or addition of leases
Deposit Data (Mining Projects)	Filed upon initial oil sands project assessment and updated with project expansion or addition of leases