



Royalty Tax Payer

Ministry of Economy

Directive R01 – Petrinex Reporting

June 18, 2014

Revision 1.1

Record of Change

Revision	Date	Author	Description
0.0	April 2012		Initial
0.1	May 23, 2013	Lori Berthelette	Standardized format and replaced Registry with Petrinex, and replaced PETRINEX with Petrinex. Replaced Saskatchewan Energy and Resources to the Saskatchewan Ministry of the Economy.
1.0	May 30, 2014	Deb Wallace	Update the new functionality of reporting WIO on the RTP
1.1	June 18, 2014	Charene Kozak	Replace screen shot in section 11.8 and remove “retroactive” from section 11.9.

Table of Contents

Royalty Tax Payer

Table of Contents	3
11.1 Introduction	4
11.2 Security.....	4
11.3 Method of Submission.....	5
11.4 Query Royalty/Tax Payer Information	5
11.5 Edit Royalty/Tax Payer Information.....	6
11.6 Data Validation.....	9
11.7 Creating a New RTP Record	9
11.8 Edit an Existing RTP Record.....	10
11.9 Royalty/Tax Payer Operator Change	10
11.10 Termination of a Royalty/Tax Payer Record	10
11.11 Royalty Tax Payer - Filing Deadlines.....	10
11.12 Royalty Tax Payer - Reports.....	11
11.13 Report Notification	12

Royalty Tax Payer (RTP)

11.1 Introduction

The RTP Operator is required to provide the following information for each well event, unit, or injection facility (Note: RTP information is only required for those injection facilities that recover crude oil (RCO)):

- BA code identifier of each royalty tax payer;
- BA code identifier of each Working Interest Owner (WIO) that is not also a royalty tax payer; and
- the mineral ownership type and portion for which the BA is responsible as either a royalty tax payer or non-royalty tax payer WIO.

The initial RTP operator is the well licensee. When a well is brought on to production the well licensee must set up a RTP record.

All unit ID's are set up by Ministry of the Economy (the Ministry) in Petrinex for industry to view and use as required. This information is stored in the Royalty/Tax Attribute Query functionality. The unit operator is required to set up the RTP and WIO percentages (if applicable) for the unit.

All injection facilities that have recovered crude oil are set up in the Royalty/Tax Attributes by the Ministry for industry to view and use as required. The operator of the injection facility is required to set up the Royalty/Tax payers and WIO percentages (if applicable) for the injection stream.

The work process is to assist in the administration of the Crown royalty and Freehold production tax (royalty/tax) system, as well as the Resource Surcharge, for the government of Saskatchewan.

This process will provide the information relating to the Business Associate (BA) that is responsible for the payment of Crown Royalty, Freehold Production Tax, RCO Tax and Resource Surcharge.

The information is then extracted from Petrinex to the Ministry's systems to perform the royalty/tax and Resource Surcharge calculation.

11.2 Security

The RTP Operator designate is initially the licensee of the well. After initial RTP set up, the designate can be changed to any active BA in Petrinex.

Presently the current operator of the well is the only operator that can make changes to the RTP records; and only for the months that they were the operator on record.

The proposed change to Petrinex reporting that will be implemented soon will be the operator on record for any production month, commencing with March 2012, will be able to access and edit an RTP record. This includes changing the RTP and/adding or changing WIO's. Only the operator of record for any given production month can edit the RTP/WIO information that applies to the production month.

An enhancement that will be added soon will be the availability of a check box to the Change Operator Screen that will allow the new operator to edit records for prior period months.

The current RTP operator can query and edit all RTP information for a given stream.

The Ministry can query any stream IDs.

Previous RTP operators can only query historical RTP information for a given stream for the periods that they were the RTP operator of the stream.

The well licensee can query RTP records for their licensed wells.

Any BA listed on the RTP will be able to view the detail rows pertaining to their BA ID only for both RTP Percent and WIO Percent.

11.3 Method of Submission

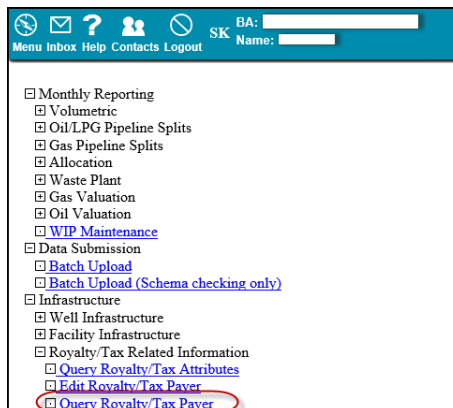
The RTP information can be sent to Petrinex via online screens or by batch processes.

- On-line: Information can be input directly on the Edit Royalty Tax Payer screen. The data is updated in Petrinex immediately upon submission. Transactional data submitted “on-line” will reflect completeness and accuracy before final submission to the Petrinex database. Any existing errors will either be displayed as a warning or error messages.
- Batch: Batches of data can be uploaded as a Comma Separated Values (CSV) file (e.g. using an Excel spreadsheet); or by an Extensible Markup Language (XML) file directly from a company’s production accounting software.

11.4 Query Royalty/Tax Payer Information

A Petrinex user may query RTP percentages information for the streams their BA operates. The user will enter a stream identifier (unit, well or IF facility) or select a stream identifier from the Stream ID Lookup, the Product (Oil or Gas) and the start date (YYYY-MM) to display the associated information for a stream. Since RTP information is date sensitive the information displayed will be as of the specified date.

To query the Royalty Tax Payer screen please select the link circled in red on the menu listed below.



You will then be returned with this screen:

Enter in the required fields of Stream ID, Product, and the Start Date and select .

The RTP will display the BA ID, BA ID's Name, Ownership Type and RTP Percent with the Mineral Ownership Type and WIO Percent.

Ownership Total displayed at bottom of the screen, along with the Crown Freehold Split.

The Mineral Ownership or the Total percent will not be displayed when the Stream is an Injection Facility (IF).

The information on the Query Screen is read only and cannot be edited.

11.5 Edit Royalty/Tax Payer Information

To edit an existing RTP record the user would select the link circled in red on the menu listed below.

To edit the RTP information for a stream the user will enter a stream identifier (unit, well or IF facility) or select a stream identifier from the Stream ID Lookup, the Product (Oil or Gas) and the start date (YYYY-MM). Since RTP information is date sensitive the RTP edit screen will display as of the specified date.

[\[Infrastructure\]](#) > [\[Royalty/Tax Related Information\]](#)

Edit Royalty/Tax Payer

Stream ID: Product: Start Date: End Date:

Stream Name:

Operator: 98765 SASK COMPANY

[Menu-Inbox-Help-Contacts-Logout](#)
[Top-SK](#)

There are three stream types that require Royalty/Tax Payer records to be set up either online or by batch (.csv or .xml).

1. Wells

The initial RTP operator is the well licensee. The initial Royalty/Tax Payers record (BA's that take their product in kind) is required when a well first starts production of oil or gas, i.e. when the well event status is first changed to OIL (or GAS) ACTIVE PROD N/A, or OIL (or GAS) DRILL PROD N/A.

2. Units

All unit IDs are set up by the Ministry and submitted to Petrinex for industry to view and use as required. This information is stored in the Royalty/Tax Attribute Query functionality. The unit operator is required to set up the RTP record for the unit.

3. Injection Facilities

All injection facilities that have recovered crude oil are set up in Royalty/Tax Attributes by the Ministry for industry to view and use as required. The operator of the injection facility is required to set up the RTP record for the injection stream.

Each well event or unit requires a separate RTP record for oil and a separate RTP record for gas. The RTP operator of wells and units is required to enter the following data:

- Royalty/Tax Payer ID
- Ownership type
- Crown
- Crown SSB
- Freehold
- Freehold WIO Exempt
- Freehold FED Exempt
- Freehold FED 508 Exempt
- Portion of ownership (in percent format)

If the working interest owner is also a royalty/tax payer then the percent would be displayed under the RTP Percent column. If the working interest owner **does not** take product in kind then their percent would be entered under the WIO Percent column. All BA's that are listed under the WIO Percent column **do not** take product in kind but the operator is responsible for paying royalties and taxes on their behalf so therefore the total percentages of the WIO's would be included in the operator's percent.

If a RTA for a given stream or unit contains a freehold working interest owner exemption then the RTP also must contain this information. A freehold working interest exempt owner who **does not** take product in kind must be shown with their percent under the WIO Percent column. The WIO total percent would be included in the operator's total. An example of this is:

Scenario 1: BA's 2 and 3 are not taking product in kind

RTA Record	RTP Record			
	BA ID	Ownership Type	RTP Percent	WIO Percent
BA 1 -Crown - 98.00000	BA 1	Crown	98.00000	
	BA 1	Freehold WIO Exempt	2.00000	
BA 2 - Freehold WIO Exempt - 1.00000	BA 2	Freehold WIO Exempt		1.00000
BA 3 - Freehold WIO Exempt - 1.00000	BA 3	Freehold WIO Exempt		1.00000
Totals			100.00000	2.00000
Crown Total			98.00000	
Freehold WIO Exempt Total			2.00000	2.00000

A freehold working interest owner who has elected to take product in kind will continue to be shown with their respective percent under the RTP Percent column. An example of this is:

Scenario 2: BA's 2 and 3 are taking product in kind

RTA Record	RTP Record			
	BA ID	Ownership Type	RTP Percent	WIO Percent
BA 1 - Crown - 98.00000	BA 1	Crown	98.00000	
BA 2 - Freehold WIO Exempt - 1.00000	BA 2	Freehold WIO Exempt	1.00000	
BA 3 - Freehold WIO Exempt - 1.00000	BA 3	Freehold WIO Exempt	1.00000	
Totals			100.00000	
Crown Total			98.00000	
Freehold WIO Exempt Total			2.00000	

NOTE: While the RTP percentages must total 100%, the WIO percentages might not add to 100%.

The RTP operator of an injection facility is only required to enter the RTP BA ID and the portion of ownership (in percent format), the ownership type is not required. Please see screen shot below for reference.

[\[Infrastructure\]](#) > [\[Royalty/Tax Related Information\]](#)

Query Royalty/Tax Payer

Stream ID: × Product: Start Date:

Stream Name: MIDALE ET AL HUNTOON RE SWD End Date:

Operator: 80040 NORTH PETROLEUMS LTD.

RTP031 No RTP information exists for the supplied Start Date [2013-03]. The closest start date was returned.

Royalty/Tax Percentages

BA ID	BA Name	RTP Percent	WIO Percent
80040	NORTH PETROLEUMS LTD.	100.00000	100.00000

11.6 Data Validation

Petrinex will compare each RTP record submitted to the Royalty/Tax Attributes (RTA) records held in Petrinex to verify that the total of each ownership type is balanced. Out of balance submissions will receive a warning message but the submission will still be accepted by Petrinex.

RTP submissions will not be accepted by Petrinex if the total of all Mineral Ownership types does not equal 100%. In this case, the submission will receive an error message and the RTP submission must be corrected prior to the data being accepted by Petrinex.

11.7 Creating a New RTP Record

If a BA User selects a Stream ID that has no previous RTP information on Petrinex, the Edit Royalty/Tax Payer Screen will appear ready for entry of data.

[\[Infrastructure\]](#) > [\[Royalty/Tax Related Information\]](#)

Edit Royalty/Tax Payer

Stream ID: SK WI 191162200404W200 Product: Start Date:

Stream Name: MIDALE STEELMAN HZ 4D9-27-3D16- End Date:

Operator: -

Royalty/Tax Percentages

DEL	BA ID	BA Name	Ownership Type	RTP Percent	WIO Percent
<input type="checkbox"/>	<input type="text" value="..."/>	<input type="text" value="..."/>	<input type="text" value="..."/> <input type="button" value="v"/>	<input type="text" value="..."/>	<input type="text" value="..."/>
<input type="checkbox"/>	<input type="text" value="..."/>	<input type="text" value="..."/>	<input type="text" value="..."/> <input type="button" value="v"/>	<input type="text" value="..."/>	<input type="text" value="..."/>
<input type="checkbox"/>	<input type="text" value="..."/>	<input type="text" value="..."/>	<input type="text" value="..."/> <input type="button" value="v"/>	<input type="text" value="..."/>	<input type="text" value="..."/>
<input type="checkbox"/>	<input type="text" value="..."/>	<input type="text" value="..."/>	<input type="text" value="..."/> <input type="button" value="v"/>	<input type="text" value="..."/>	<input type="text" value="..."/>
<input type="checkbox"/>	<input type="text" value="..."/>	<input type="text" value="..."/>	<input type="text" value="..."/> <input type="button" value="v"/>	<input type="text" value="..."/>	<input type="text" value="..."/>
<input type="checkbox"/>	<input type="text" value="..."/>	<input type="text" value="..."/>	<input type="text" value="..."/> <input type="button" value="v"/>	<input type="text" value="..."/>	<input type="text" value="..."/>
<input type="checkbox"/>	<input type="text" value="..."/>	<input type="text" value="..."/>	<input type="text" value="..."/> <input type="button" value="v"/>	<input type="text" value="..."/>	<input type="text" value="..."/>
<input type="checkbox"/>	<input type="text" value="..."/>	<input type="text" value="..."/>	<input type="text" value="..."/> <input type="button" value="v"/>	<input type="text" value="..."/>	<input type="text" value="..."/>
<input type="checkbox"/>	<input type="text" value="..."/>	<input type="text" value="..."/>	<input type="text" value="..."/> <input type="button" value="v"/>	<input type="text" value="..."/>	<input type="text" value="..."/>

11.8 Edit an Existing RTP Record

If a BA User selects a Stream that already exists on Petrinex the existing data will be displayed

Menu Inbox Help Contacts Logout SK BA: 12345 DON OIL Name: Jon Doe Quick

Infrastructure > Royalty/Tax Related Information

Edit Royalty/Tax Payer

Stream ID: SK WI 191062800408W200 Product: OIL Start Date: 2012-12
 Stream Name: 28-4-8 End Date:
 Operator: DON OIL

RTP031 No RTP information exists for the supplied Start Date [2014-03]. The closest start date was returned.

Royalty/Tax Percentages

DEL	BA ID	BA Name	Ownership Type	RTP Percent	WIO Percent
<input type="checkbox"/>	12345	.DON OIL	CROWN	100.00000	100.00000
CROWN Total				100.00000	100.00000

Add Validate Submit Cancel

11.9 Royalty/Tax Payer Operator Change

Once an RTP record exists, the current RTP operator can request an operator change using the Operator Change function on Petrinex. Operator changes can be for a current month or future dated.

Operator Changes will be managed through Petrinex using a concurrence process whereby the “old” operator will initiate the reassignment process with an operator change request that is sent to the new operator. The new operator can either accept or reject the transfer of operatorship. Once accepted, the responsibilities of filing submissions will move to the new operator. Operator changes can be performed for all Petrinex streams including wells, units, and facilities.

11.10 Termination of a Royalty/Tax Payer Record

An RTP record is automatically terminated in Petrinex when the stream ID is no longer active (i.e. well is abandoned).

Note: A well event or injection facility is still considered active when the status is suspended. Therefore, the RTP record will not be terminated in this case.

11.11 Royalty Tax Payer - Filing Deadlines

Current and prior period amended RTP data is due on the last business day of the month. Petrinex generates a file (extract) for the Ministry, based on all valid data that is received on or before the deadline date.

The RTP filing deadline is published on the Petrinex Saskatchewan Reporting Calendar located on the Petrinex website: <http://www.petrinex.ca/49.asp>.

11.12 Royalty Tax Payer - Reports

There are two reports that a Royalty/Tax Payer can request from Petrinex.

1. Royalty/Tax Payer – Missing/Incomplete Report

Petrinex scans the royalty/tax payer data that has been submitted, and generates the Royalty/Tax Payer Missing/Incomplete Report. This report is designed to minimize errors and missing data, and inform BAs of deficiencies in RTP submissions.

This report checks for the following:

- All active/producing well events in the current production month have a current RTP record for oil and/or gas as required;
- All current month RTP records have a matching Royalty Tax Attribute (RTA) record.
- If an RTA record exists for a well event or unit, that the balance of mineral ownership percentages for each mineral ownership type from the RTA matches the total for the same mineral ownership type in RTP
- If an RTA record exists for the mineral ownership type “Exempt” in RTA, that the RTP matches the mineral ownership type, BA ID and percentage.
- An RTP record can still be entered by industry if an RTA record does not exist
- Injection Facilities (IF) with an oil disposition has a current RTP record.

A Royalty Tax Payer Missing/Incomplete report runs automatically, approximately two days before the RTP Filing Deadline or upon request from the Royalty/Tax Payer.

The final Royalty Tax Payer Missing/Incomplete report is run at the Petrinex RTP deadline, and the results sent out to Industry for information and to the Ministry for possible further escalation.

The Royalty/Tax Payer Missing/Incomplete Report contains the following fields: BA ID, BA Name, Production Month, Stream ID, Product, Error Number and Error Message

2. Royalty/Tax Payer Report:

The Royalty/Tax Payer Report provides the following information, by Stream Identifier for a selected Production Month:

- Royalty/Tax ownership information for all Royalty/Tax Payers for any stream in which the requesting BA is named the Operator.

- Royalty/Tax ownership information for all Well ID's requested.
- BA that is named as the Well Licensee.
- Royalty/Tax information pertaining only to the requesting BA's ownership for any stream in which the BA is not the Operator.

The Royalty Tax Payer Report can be used to reference and verify the ownership percentage information in the Royalty Tax Payer records that are used in Royalty/Tax calculations.

The Royalty Tax payer Report contains the following fields:
Stream ID, Stream Name, Product, Start Date, End Date, Operator ID, Operator Name, Royalty/Tax Payer ID, Royalty/Tax Payer Name, Mineral Ownership Type, RTP Percent and WIO Percent.

11.13 Report Notification

Upon the completion of all report requests, and the completion of all pertinent automated reports, Petrinex will place a notification in the Royalty Tax Payer's Petrinex Inbox and forward an email containing a hypertext link to this notification directly to the RTP.

Completed reports can be viewed on Petrinex, printed and downloaded.