



SUBJECT: Sierra Yoyo Desan (SYD) Road Use Charges from January 1, 2014 Until Further Notice

Road use charges are collected by the Ministry of Natural Gas Development (the Ministry) under the *Transportation Act* and monthly payments are made to the SYD Road Limited Partnership (whose general partner is Ledcor SYD Limited) for the bypass, P3 bridge and upgrades to the SYD Road, and maintenance payments for ongoing operation and maintenance of the road.

The following table outlines the SYD Road Use Charges that are in effect for the SYD Road fiscal year starting January 1, 2014. The SYD Road fiscal year is from December 1 to November 30. These charges will remain in effect until further notice.

Industrial Activity	Road Use Charges	Comments
Active Wells	\$4,095 per well per year	Wells in SYD Road assessable area with well status of "Active"
Non-active Wells	\$882 per well per year	All wells in SYD Road assessable area (except wells with a status of "Active" or "Abandoned")
Wells Drilled	\$15,750 per well spudded in winter \$20,475 per well spudded in summer	Winter is from Dec. 1 to March 31 of any year. Summer is from Apr. 1 to Nov. 30 of any year. Applies to each well spudded in the SYD Road assessable area.
Drill Rig Moves	\$22,575 per move (winter) \$28,875 per move (summer)	Drill Rig Moves based on the spud date of each well (not the actual date of the rig move). Winter means Dec. 1 to Mar. 31 of any year Summer means Apr. 1 to Nov. 30 of any year
Compressor Moves	\$22,050 per move (winter) \$28,875 per move (summer)	Applies to compressor packages weighing 50 short tons or more that are moved on the SYD Road
Timber Hauling	\$0.68 per m ³ of timber	Assessed on volumes of timber hauled on SYD Road for commercial timber operations
Shale Gas Well Fracturing Moves	\$30,000 per well	Applies to the moving of any well fracturing materials or equipment on the SYD Road to a new shale gas well in the SYD Road assessable area.
Gas Processing Plant Construction Haul	\$0.035 per cubic metre of design capacity	Applies to the moving of any materials or equipment on the SYD Road for construction or expansion of a gas processing plant (based on the Effective Date of the plant) in the SYD Road assessable area with design capacity of 150,000 cubic metres or more a day.

Pipeline Construction Haul	\$7 per millimeter outside diameter per kilometer length	Applies to the moving of any materials or equipment on the SYD Road for construction of a pipeline (based on the Leave to Open Date) in the SYD Road assessable area that measure 152 millimeter outside diameter or more.
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Invoices for active and non-active wells will continue to be sent out three times per year. The intent of this billing method is to distribute the annual charge over the entire SYD Road fiscal year and to capture any changes in well status throughout the year.

Payments are to be made to:

BC Transportation Financing Authority
c/o Ministry of Energy, Mines and Petroleum Resources
PO Box 9323 Stn Prov Gov't
Victoria, BC V8W 9N3

Royalty Credits Available to Road Users

Three times per year, road users are notified of the royalty credits they have earned, which are equal to 50% of the road use charges received by the Province. To claim these credits, an oil and natural gas royalty payer must submit a BC-15 form, "Petroleum & Natural Gas Remittance Advice" to the Ministry of Small Business & Revenue.

Upgrade and Maintenance Contract

For matters related to road operations and maintenance, contact Ledcor at 1-866-453-3267. Additional information is available at www.sydroad.com.

SYD Road User Committee and Executive

The SYD Road User Committee (the "Committee") was established on June 1, 2004. The Committee has an Executive Committee that represents the Road User Group and the Ministry in the administration of the SYD Road.

<p>For further information, contact: Dawn Kroad SYD Road Program Manager Phone: (250) 953-3739 Dawn.Kroad@gov.bc.ca</p>
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