

Infrastructure Royalty Credit Program 2018 RFA Questions and Answers

Question 1:

I know from past applications and from the Guidance Document that I can include compression and dehydration as an eligible cost for a pipeline project. In the instance where I would require amine sweetening and liquids recovery equipment for my pipeline project, would these costs also be defined as eligible costs?

Answer 1:

The definition of “eligible project costs” in Section C.6 the RFA document includes “costs incurred in the construction of the pipeline or road project as defined in the relevant Project Agreement.” These would be considered eligible costs provided this equipment is considered part of an eligible pipeline project. For further information, please refer to the definition of ‘Eligible Project Costs’ in the RFA Section C.6, and in a sample Project Agreement Part I, section 1. Note that ‘pipeline’ is defined in section 1 of the *Petroleum and Natural Gas Act* and has the same meaning as in section 1 (2) of the *Oil and Gas Activities Act (OGAA)*.

Question 2:

Are upgrades to Ministry of Transportation and Infrastructure (MOTI) roads eligible under the IRCP?

Answer 2:

To be eligible, a road project must be an ‘Oil and Gas Road’, a ‘Forest Service Road’, or ‘Mining Access Road’. Therefore, upgrades to MOTI roads would not be considered an eligible road project. For further information, please refer to the definition of ‘Eligible Road Project’ in the RFA Section C.1.

Question 3:

Are sales gas pipelines and associated facilities, and meter stations considered eligible projects under the IRCP?

Answer 3:

These pipelines and facilities would be considered eligible projects provided they meet the definition of eligible pipeline project as noted in RFA Section C.2. Note that ‘pipeline’ is defined in section 1 of the *Petroleum and Natural Gas Act* and has the same meaning as in section 1 (2) of the *Oil and Gas Activities Act (OGAA)*.

Question 4:

The RFA Section C.2.b states that the required length of ‘piping’ to be considered a pipeline project is 1 km. If the estimated total length of piping is less than 1 km, would this scope of work be eligible for the 2018 IRCP.

Answer 4:

No, a pipeline project must have at minimum 1 km of piping.

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Question 5:

The scope of my potential proposed project application is still being finalized internally. Can I request an extension to the RFA Close Date until my proposed project scope is finalized and I receive a positive internal decision to proceed with submitting an application in response to the RFA?

Answer 5:

No, all applications must be received by the RFA Close Date.

Question 6:

Is the cost of drilling source water wells (used to supplement frac water during well development) allowed under the IRCP? And if so, are the costs associated with the Electric Submersible Pumps (ESPs) that will be installed in the source water wells also considered eligible costs?

Answer 6:

No, however wellsite tie-in costs are considered eligible project costs as noted in RFA Section C.6.