

Changes to the Oil and Gas Commission Levy

Oil and Gas Commission Act

If you are a royalty payor, you need to be aware of some important changes to the Oil and Gas Commission (OGC) Levy.

Gas

Effective December 2007, the Ministry of Finance will no longer charge the gas levy based on total sales at the receipt point or production source. The ministry will charge the gas levy based on the marketable gas volumes you report on the *Marketable Gas and By-Product Producer Allocations* report (**BCO8**).

If the volumes you report on your BC08 cannot be added to the ministry's royalty management system because of incorrect data, the ministry will include those volumes on a subsequent levy invoice.

Oil

Effective December 2007, the ministry will charge the oil levy based only on production data that has been entered in the ministry's system.

If the volumes you report on your *Monthly Production Statement* (**S1**) cannot be added to the ministry's system because of incorrect data, the ministry will include those volumes on a subsequent levy invoice (same as the gas volumes above).

Amendments to Oil Production Data and Marketable Gas Sales Data

There is no change to this process. When you make an amendment to oil production data or marketable gas sales data, the amendment is stored in the ministry's system and the ministry sends you an invoice for amendments approximately once a year. This invoice includes data that cannot be added to the ministry's system when original invoices for particular production periods are issued.

The Levy Invoice

Since the ministry will charge the gas levy based on information you provide on your BC08, the issue date for the OGC Levy invoice will change. Effective December 2007, the ministry will issue the invoice on, or about, the 10th day of the month immediately following the due date of the BC08.

The charges on this redesigned invoice will be based on the production periods reported on your most recent BC08 and your most recent S1. This means the charges will be for:

- marketable gas volumes from the production month three months prior to the invoice issue month, and
- oil production volumes from the production month three months prior to the invoice issue month.

For example:

BC08 Gas Production Month	S1 Oil Production Month	Invoice Date
September 2007	September 2007	December 10, 2007

Please see the sample invoice attached to this letter.

Invoice delivery method

Effective December 2007, the ministry will send OGC Levy invoices to industry contacts by e-mail, rather than by fax. Please contact us at 250 952-0192 in Victoria, or toll-free at 1 800 667-1182, if you would like to change your industry contact person for the levy.

Payment

Effective December 2007, payments for the OGC Levy are due on the 25th day of the month in which the ministry issues the invoice, or 15 days after the ministry issues the invoice, whichever is later.

If the due date falls on a weekend or a statutory holiday, the payment is due on the first business day following the due date. For example, if the ministry issues your invoice on December 10, 2007, your payment is due on December 27, 2007.

There are no changes to the payment delivery methods.

Further Information

If you have any questions, please call us at 250 952-0192 in Victoria, or toll-free at 1 800 667-1182, or e-mail your questions to Oil&GasRoyaltyQuestions@gov.bc.ca

You can also find information on our website at www.sbr.gov.bc.ca/business/Natural_Resources/Oil_gas_commission_levy/oil_gas_commission_levy.htm

The information in this letter is for your convenience and guidance and is not a replacement for the legislation. The *Oil and Gas Commission Act* and Regulation are on our website at www.sbr.gov.bc.ca/business/Natural_Resources/Oil_gas_commission_levy/legislation.htm

PROVINCE of BRITISH COLUMBIA
OIL AND GAS COMMISSION LEVY AND ORPHAN SITE RECLAMATION FUND TAX
Pursuant to the Oil and Gas Commission Levy and Orphan Site Reclamation Fund Tax Regulation

I N V O I C E

Producer Name: ABC Oil and Gas Ltd.
Operator Code: 9999
Levy Period: 2007/09

Invoice Number: 200709-9999
Invoice Date: 2007/12/10
Due Date: 2007/12/27

Description	Volume	Rate	Amount in \$
Oil and Gas Commission Levy			
Gas Levy	2007/09	11,913.9	5,599.53
Oil Levy	2007/09	83.4	78.40
Orphan Site Reclamation Fund Tax			
Gas Tax	2007/09	11,913.9	357.42
Oil Tax	2007/09	83.4	5.00
TOTAL AMOUNT DUE	Payable on or before December 27, 2007		6,040.35

Cheques payable to: The Minister of Finance

By Mail: Oil and Gas Commission Levy
P.O. Box 2810, Calgary Central Postal Station, Calgary, AB T2P 2M7

By Courier: Oil and Gas Commission Levy
c/o Canadian Imperial Bank of Commerce, Data Processing Centre,
Attn: Lock Box Department, 301 - 11th Ave., S.W. Calgary AB T2R 0C7

By Wire: Province of BC
B.C. Oil and Gas Commission Account
Oil and Gas Commission Levy
Account Number 09-96912

Penalty Late Payments may be subject to penalty.
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Billing Inquiries and Transmission Problems:

Please contact Lorraine Rogerson at (250)952-0208 or toll free 1-800-667-1182
or fax at (250)952-0191

OIL AND GAS COMMISSION LEVY
AND ORPHAN SITE RECLAMATION FUND TAX

GAS Volume Detail Report

Producer Name: ABC Oil and Gas Ltd.
Operator Code: 9999
Levy Period: 2007/09
Prod Period: 2007/09

Current Volumes

Invoice Number: 200709-9999
Invoice Date: 2007/12/10
Due Date: 2007/12/27

UWI or PE	Plant Id	Curr. Net Volume	Batch Number	Entry Date
1xxxxxxxxxxxxxW602	00009999	92.1	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	.0	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	277.8	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	.0	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	.0	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW603	00009999	118.8	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	35.4	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW603	00009999	68.6	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	211.3	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	140.8	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	70.1	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW603	00009999	305.5	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	321.3	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW603	00009999	212.5	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW604	00009999	176.4	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	237.6	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW603	00009999	158.4	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	10.0	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	293.4	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	108.2	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	117.1	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	117.0	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	11.4	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	225.9	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	.0	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	.0	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW603	00009999	42.7	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW604	00009999	99.8	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	116.3	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	204.3	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	.0	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	66.1	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	154.4	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	69.8	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	.0	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	.0	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	43.4	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	100.1	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	236.7	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	.0	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	76.1	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	78.1	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	9.1	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	82.3	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	198.1	U-2008-05-19	2008/05/23-08:57:50:00

OIL AND GAS COMMISSION LEVY
AND ORPHAN SITE RECLAMATION FUND TAX

GAS Volume Detail Report

Producer Name: ABC Oil and Gas Ltd.
Operator Code: 9999
Levy Period: 2007/09
Prod Period: 2007/09

Current Volumes

Invoice Number: 200709-9999
Invoice Date: 2007/12/10
Due Date: 2007/12/27

UWI or PE	Plant Id	Curr. Net Volume	Batch Number	Entry Date
1xxxxxxxxxxxxxW603	00009999	84.7	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	308.7	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	308.7	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW603	00009999	388.8	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	175.1	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	693.7	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	2.5	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	97.7	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	.0	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW603	00009999	83.9	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	41.7	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	77.4	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	73.1	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	24.4	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	46.5	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	69.6	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW603	00009999	348.4	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	154.0	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	38.4	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	191.9	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	157.0	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	204.2	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	68.5	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	135.2	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW603	00009999	15.1	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW604	00009999	1.6	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	11.8	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	5.3	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	.0	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	167.5	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	87.0	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	.0	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	890.7	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	.0	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	64.6	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	93.8	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	6.4	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	59.9	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	6.7	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	27.5	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW602	00009999	223.9	U-2008-05-19	2008/05/23-08:57:50:00
1xxxxxxxxxxxxxW600	00009999	58.1	U-2008-05-19	2008/05/23-08:57:50:00
2xxxxxxxxxxxxx1602	00009999	1,041.2	U-2008-05-19	2008/05/23-08:57:50:00
2xxxxxxxxxxxxx0900	00009999	46.6	U-2008-05-19	2008/05/23-08:57:50:00
2xxxxxxxxxxxxx1600	00009999	55.0	U-2008-05-19	2008/05/23-08:57:50:00

OIL AND GAS COMMISSION LEVY
AND ORPHAN SITE RECLAMATION FUND TAX

GAS Volume Detail Report

Producer Name: ABC Oil and Gas Ltd.
Operator Code: 9999
Levy Period: 2007/09
Prod Period: 2007/09

Current Volumes

Invoice Number: 200709-9999
Invoice Date: 2007/12/10
Due Date: 2007/12/27

UWI or PE	Plant Id	Curr. Net Volume	Batch Number	Entry Date
2xxxxxxxxxxxxx1500	00009999	2.6	U-2008-05-19	2008/05/23-08:57:50:00
2xxxxxxxxxxxxx1500	00009999	33.8	U-2008-05-19	2008/05/23-08:57:50:00
2xxxxxxxxxxxxx1600	00009999	8.4	U-2008-05-19	2008/05/23-08:57:50:00
2xxxxxxxxxxxxx0900	00009999	66.3	U-2008-05-19	2008/05/23-08:57:50:00
2xxxxxxxxxxxxx1500	00009999	172.4	U-2008-05-19	2008/05/23-08:57:50:00
2xxxxxxxxxxxxx1500	00009999	31.0	U-2008-05-19	2008/05/23-08:57:50:00
2xxxxxxxxxxxxx1502	00009999	19.0	U-2008-05-19	2008/05/23-08:57:50:00
2xxxxxxxxxxxxx1500	00009999	22.2	U-2008-05-19	2008/05/23-08:57:50:00
2xxxxxxxxxxxxx1502	00009999	34.5	U-2008-05-19	2008/05/23-08:57:50:00
	Totals:	----- 11,913.9		

SAMPLE

OIL AND GAS COMMISSION LEVY
AND ORPHAN SITE RECLAMATION FUND TAX

OIL Volume Detail Report

Producer Name: ABC Oil and Gas Ltd.
Operator Code: 9999
Levy Period: 2007/09
Prod Period: 2007/09

Current Volumes

Invoice Number: 200709-9999
Invoice Date: 2007/12/10
Due Date: 2007/12/27

UWI or PE/Tract	Gross Volume	Reporting Percent	Curr. Net Volume	Batch Number	Entry Date
1xxxxxxxxxxxxW600	121.7	25.000000	30.4	H-2008-04-67	2007/09/26
1xxxxxxxxxxxxW600	14.6	37.500000	5.5	H-2008-04-67	2007/09/26
1xxxxxxxxxxxxW600	27.9	75.000000	20.9	H-2008-04-67	2007/09/26
2xxxxxxxxxxxx1500	44.4	60.000000	26.6	H-2008-04-58	2007/09/24

		Totals:	83.4		

SAMPLE