



Your file – Votre référence

Our file – Notre référence

File: N42002-1-2/C1-2-1-1

16 February 2006

Distribution List:

See list in Appendix 1

Letter to Stakeholders (General) – Invitation to participate in consultations - Proposed amendments to the *Frontier Land Petroleum Royalty Regulations (FLPRR)*

The Oil and Gas Management Directorate of the Department of Indian and Northern Affairs Canada (INAC) is initiating a series of consultations as part of a proposal to amend the *Frontier Lands Petroleum Royalty Regulations (FLPRR)*.

The attached discussion paper provides the background and context regarding the proposed FLPRR amendments. This letter invites you to review the enclosed material and to submit your views, either in writing or in person.

Background

In July of 2002, the Oil and Gas Management Directorate initiated a comprehensive review of the FLPRR. The review was motivated by the need to ensure that the regulations governing the royalty regime on frontier lands¹ are modernized to accommodate what is expected to be an exceptional period of growth in northern oil and gas activity associated with rising energy prices and the anticipated development of the Mackenzie Gas Pipeline. The intent of the review is not to change the fundamental policy and philosophy that guide CPRA and FLPRR.

This invitation is the next stage in the consultation process, which began with a letter informing stakeholders of the project and of its purpose. This was followed by a request for stakeholders to provide their comments on identified issues, which were subsequently summarized and circulated. A meeting was convened in 2003 to discuss these issues in more detail.

¹ “Frontier lands” means lands that belong to the Government of Canada that are situated in the Northwest Territories, Nunavut, Sable Island or beneath territorial internal waters or a territorial sea of Canada.

How do I submit my views?

You may submit your views either in writing or in person:

1. Written Submissions

Written submissions must be received by **April 30, 2006 to be considered**. Written submissions are to be addressed to:

Manager, Fiscal Policy & Royalty Administration
Oil & Gas Management Directorate
Indian & Northern Affairs Canada
Les Terrasses de la Chaudière
Room 635, 10 Wellington Street,
Ottawa, Ontario, K1A 0H4

or emailed at NOGRegReview@inac.gc.ca

Filed documents can be accessed at INAC's Internet site at http://www.ainc-inac.gc.ca/oil/roy/index_e.html.

2. Regional Consultations

We will be available to conduct regional consultations during March 2006 in the Northwest Territories, Nunavut, Yukon, and Alberta. To participate in these consultations please contact John Touliopoulos at (819) 953-8790 or by email at NOGRegReview@inac.gc.ca.

Please confirm if you intend to participate in the regional consultations by informing us no later than **March 1, 2006** of your preferred consultation location and date(s). If you have any special needs, including specific language requirements, please let us know.

Based on feedback from all stakeholders, a schedule of consultations, including locations, dates, and times will be developed and distributed by March 10, 2006.

What happens after consultations have concluded?

During April, May and June 2006, **all** of the views presented will be reviewed and considered. Stakeholders will be subsequently informed in writing of the results of the consultations.

The proposed amendments to FLPRR will be pre-published in the Canada Gazette Part I during the latter part of 2006. This stage of the process will provide you with the opportunity to review and comment on the final draft of the proposed amendments to the regulations before they are passed into law.

Please consult Appendix II for a list of key dates of this process.

Contacts / Additional Information

Should you require any additional information, please do not hesitate to contact either Claude Rousseau or John Touliopoulos directly at (819) 953-9488 or (819) 953-8790 respectively, or to visit our web-site at http://www.ainc-inac.gc.ca/oil/roy/index_e.html.

Yours truly,

George Green
Director
Oil and Gas Management Directorate
Northern Oil and Gas Branch
Indian and Northern Affairs Canada

Atts:

c.c. John Touliopoulos, Indian & Northern Affairs Canada
Claude Rousseau, Indian & Northern Affairs Canada
Mimi Fortier, Indian & Northern Affairs Canada
Alison Mortimer, Indian & Northern Affairs Canada
Richard Graw, Indian & Northern Affairs Canada
Andy Graw, Indian & Northern Affairs Canada
Mark Prystupa, Indian & Northern Affairs Canada
Ursula Beddoes, Indian & Northern Affairs Canada
Kyla McCandie Glustien, Indian & Northern Affairs Canada
Phyllis Odenbach-Sutton, Natural Resources Canada
Mike Hnetka, Natural Resources Canada
Tim Gardner, Department of Finance
Bharat Dixit, National Energy Board

Distribution List

Territorial Governments

<p>Director, Minerals, Oil and Gas Industry, Tourism & Investment Government of the NWT P.O. Box 1320, Yellowknife, NT, X1A 2L9</p> <p>Tel: (867) 920-3214 Fax:(867) 873-0254</p>	<p>Manager, Economic Development Oil and Gas Resources Branch Government of Yukon P.O. Box 2703, Whitehorse, Yukon, Y1A 2C6</p> <p>Tel: (867) 667-5026 Fax: (867) 393-6262</p>
<p>Director, Minerals & Petroleum Department of Economic Development & Transportation Government of Nunavut P.O. Box 1000, Station 1500, Iqaluit, NU, X0A 0H0</p> <p>Tel: (867) 975-7822 Fax: (867) 975-7870</p>	

Industry

<p>Vice-President Finance Alta Gas Income Trust 1700, 355-4th Avenue, S.W. Calgary, Alberta, T2P 0J1</p> <p>Tel: 403 691-7575 Fax: 403 691-7576</p>	<p>Vice-President Finance Anadarko Canada Corporation 425 – 1st St. S.W. Calgary, Alberta, T2P 4V4</p> <p>Tel: (403) 231-0111 Fax: (403) 231-0187</p>
--	---

<p>Vice-President Finance Apache Canada Ltd. Suite 1000, 700 - 9th Avenue SW Calgary, Alberta, T2P 3V4</p> <p>Tel : (403) 261-1200 Fax: (403) 266-5987</p>	<p>Vice-President Finance Bytex Enegy Suite 2200, Bow Valley Square II 205 - 5th Avenue S.W. Calgary, Alberta, T2P 2V7</p> <p>Tel: (403) 269-4282 Fax: (403) 205-3845</p>
<p>Vice-President Finance BG Canada Exploration & Production Inc 150 – 6th Avenue. S.W., 7th Floor Calgary, Alberta, T2P 3Y7</p> <p>Tel: (403) 538-7400 Fax: (403) 538-7500</p>	<p>Vice-President Finance BP Exploration (Alaska) inc. PO Box 196612 900 E. Benson Boulevard Anchorage, AK, 99519-6612</p> <p>Tel: (907) 564-5537 Fax: (907) 564-4124</p>
<p>Vice-President Finance Burlington Resources Canada Energy Ltd. Suite 2100, 250-6th Avenue S.W. Canada, Alberta, T2P 3H7</p> <p>Tel : (403) 260-8000 Fax: (403) 263-2708</p>	<p>Vice-President Finance Canadian Forest Oil Ltd. Suite 600, 800 - 6th Ave. S.W. CALGARY, Alberta, T2P 3G3</p> <p>Tel: (403) 292-8000 Fax: (403) 261-7665</p>
<p>Vice-President Finance Canadian Natural Resources Suite 250, 855-2 St. S.W. Calgary, Alberta, T2P 4J8</p> <p>Tel: (403) 517-6700 Fax: (403) 517-7350</p>	<p>Vice-President Finance Canadian Superior Energy Inc. Suite 3300, 400-3 Avenue S.W., Calgary, Alberta, T2P 4H2</p> <p>Tel: (403) 294-1411 Fax: (403) 216-2374</p>
<p>Vice-President Finance Chamaelo Energy Inc. Suite 700, 639-5th Avenue S.W. Alberta, Calgary, T2P 0M9</p> <p>Tel: (403) 232-8575 Fax: (403) 264-0061</p>	<p>Vice-President Finance Chevron Canada Resources 500-5 Avenue S.W. Calgary, Alberta, T2P 0L7</p> <p>Tel: (403) 234-5000 Fax: (403) 234-5947</p>

<p>Vice-President Finance ConocoPhillips Canada 401-9 avenue S.W. Calgary, Alberta, T2P 2H7</p> <p>Tel: (403) 233-4000 Fax: (403) 233-5143</p>	<p>Vice-President Finance Devon Canada Corporation Suite 2000, 400-3 Avenue S.W. Calgary, Alberta, T2P 4H2</p> <p>Tel: (403) 232-7100 Fax: (403) 232 7678</p>
<p>Vice-President Finance Devon Energy Corporation 20 North Broadway Oklahoma City, OK, 73102-3611</p> <p>Tel: (405) 235-3611 Fax: (405) 552-4667</p>	<p>Vice-President Finance Duvernay Oil Corporation Suite 1500, 202 – 6 Avenue S.W. Calgary, Alberta, T2P 2R9</p> <p>Tel: (403) 571-3600 Fax: (403) 269-6510</p>
<p>Vice-President Finance EnCana Corporation Suite 1800, 855-2 St. S.W. Calgary, Alberta, T2P 4Z5</p> <p>Tel: (403) 645-2000 Fax: (403) 645-3400</p>	<p>Vice-President Finance Enstar Natural Gas Company P.O. Box 190288 Anchorage, AK 99519-0288</p> <p>Tel: (907) 277-5551 Fax: (907) 264-3671</p>
<p>Vice-President Finance EOG Resources Canada Inc. 1300, 700-9 Avenue. S.W. Calgary, Alberta T2P 3V4</p> <p>Tel: (403) 297-9100 Fax: (403) 297-9198</p>	<p>Vice-President Finance ExxonMobil Resources Ltd. 1900, 330-5th Avenue S.W. Calgary, Alberta, T2P 0L4</p> <p>Tel: (403) 517-2524 Fax: (403) 517-2530</p>
<p>Vice-President Finance Husky Oil Company of Canada Inc. 3100, 450-1st Street. S.W. Calgary, Alberta, T2P-5H1</p> <p>Tel: (403) 531-1530 Fax: (403) 531-1539</p>	<p>Vice-President Finance Imperial Oil Resources Limited 237-4th Avenue, S.W. Calgary, Alberta, T2P 0H6</p> <p>Tel: (403) 237-3737 Fax: (403) 237-2197</p>

<p>Vice-President Finance International Frontier Resources Corporation 100, 601-10th Avenue, S.W. Box 10 Calgary, Alberta, T2R 0B2</p> <p>Tel: (403) 215-2780 Fax: (403) 215-2788</p>	<p>Vice-President Finance Murphy Oil Company Limited 2100, 555-4 Avenue S.W. Calgary, Alberta, T2P-3E7</p> <p>Tel: (403) 294-8000 Fax: (403) 294-8851</p>
<p>Vice-President Finance Newmont Mining Corporation of Canada Limited 1900, 20 Eglinton Avenue West Calgary, Alberta, M4R 1K8</p> <p>Tel: (416) 480-6492 Fax: (416) 488-6598</p>	<p>Vice-President Finance Nexen Canada Ltd. 1777 Victoria Avenue, box 1550 Regina, SK S4P 3C4</p> <p>Tel: (306) 781-8200 Fax: (306) 781-8205</p>
<p>Vice-President Finance Northrock Resources Ltd. 3500, 700-2 St. S.W. Calgary, Alberta, T2P 2W2</p> <p>Tel: (403) 213-7600 Fax: (403) 232-4650</p>	<p>Vice-President Finance Ocean Energy, Inc. 3 Wild Cherry, Midville, GA, USA, 30441</p> <p>Tel: (478) 237 0988 Fax: (775) 306-4942</p>
<p>Vice-President Finance Pacific Rodera 240, 600 - 6th Ave. S.W. Calgary, Alberta, T2P 0S5</p> <p>Tel: (403) 234-0501 Fax: (403) 234-0511</p>	<p>Vice-President Finance Paramount Resources Ltd. 4700, 888 3rd Street S.W. Calgary, Alberta, T2P 5C5</p> <p>Tel: (403) 290-3600 Fax (403) 262-7994</p>
<p>Vice-President Finance Petrobank Energy and Resources Ltd. 2600, 240 -4 Avenue S.W. Calgary, Alberta T2P 4H4</p> <p>Tel: (403) 750-4400 Fax: (403) 266-5794</p>	<p>Vice-President Finance Petro-Canada 150-6 Avenue S.W. Calgary, Alberta T2P-3E3 Box 2844</p> <p>Tel: (403) 296-8000 Fax: (403) 296-3030</p>

<p>Shell Canada Limited 400-4 Avenue, S.W. Calgary, Alberta, T2P-0J4</p> <p>Tel: (403) 691-3111 Fax: (403) 691-3696</p>	<p>Suncor Energy Inc. 112-4 Avenue. S.W. Calgary, Alberta, Box 38, T2P 2V5</p> <p>Tel: (403) 269-8100 Fax: (403) 269-6200</p>
<p>Talisman Energy Inc. 3400, 888-3 St. S.W. Calgary, Alberta T2P-5c5</p> <p>Tel: (403) 237-1234 Fax: (403) 237-1902</p>	

Associations

<p>Manager, Fiscal Policy Canadian Association of Petroleum Producers Suite 2100, 350 7th Avenue S.W. Calgary, Alberta, T2P 3N9</p> <p>Tel: (403) 267-1100 Fax: (403) 261-4622</p>	
--	--

Appendix II

Proposed Amendments to Frontier Lands Petroleum Royalty Regulations Key Dates	
Activity	Key Date
Deadline for stakeholders to indicate their interest to participate in regional consultations	March 1, 2006
Distribution of the schedule of regional consultations to participants	March 10, 2006
Regional consultations with stakeholders	March 2006
Deadline for written submission from stakeholders on the proposed amendments to FLPRR	April 30, 2006
Stakeholders to be informed of the results of consultations	August 31, 2006
Publication of the proposed amendments in the Canada Gazette Part I	December 31, 2006
Final review of written comments received by INAC following Canada Gazette Part I publication	2007
Publication of final amendments to the regulations in Canada Gazette Part II (amendments become law)	2007