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Information Bulletins are provided for the purpose of additional clarification that is currently not provided in adequate detail in the Regulations and the Guidelines and that may be required from time to time as new or different scenarios are encountered.

“Other Income”

When an interest holder in a project has a share in an asset, and the costs attributable to the asset are included in the allowed capital costs for the project; any revenues generated from that asset must be declared as “other income” on Schedule D-1 line 5b.

“Determination of Gross Revenues”

Schedule II Section 2 (a)(i) of the Frontier Lands Petroleum Royalty Regulations states that the gross revenues of an interest holder from petroleum produced from the project lands are the amount of money and other consideration payable to the interest holder for the petroleum.

Gross revenues does not include any payments or receipts on hedging , futures or marketing fees.

Where the petroleum is sold by the interest holder to a purchaser with whom the interest holder is not dealing at arm’s length; fair market value should be determined in accordance with Schedule II Section 2 (b) of the Frontier Lands Petroleum Royalty Regulations. Non-arm’s length transactions are to be identified by interest holders when submitting the forms and fair market value calculated in the submissions.

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