![British Columbia]

Ministry of Energy, Mines and Petroleum Resources *and* Ministry of Small Business and Revenue

BC-08
MARKETABLE GAS AND BY-PRODUCT PRODUCER ALLOCATIONS

Producer Name	A1	Contact Name	A2
		Phone	A3

Producer Code	B1					
Production Period	B2					
Plant Code	B3					
Facility Code	B4					
Production Source Code	B5	A L L O C A T I O N R E C O R D	A L L O C A T I O N R E C O R D	A L L O C A T I O N R E C O R D	A L L O C A T I O N R E C O R D	A L L O C A T I O N R E C O R D
Unique Well ID or PE Code	B6					
Allocated Raw Gas Volume	B7					
Allocated Marketable Gas Volume	B8					
Ethane Volume	B9					
Ethane Value	B10					
Propane Volume	B9					
Propane Value	B10					
Butane Volume	B9					
Butane Value	B10					
Pentanes Plus Volume	B9					
Pentanes Plus Value	B10					
Field Condensate Volume	B9					
Field Condensate Value	B10					
Sulphur Tonnage	B9					
Sulphur Value	B10					
Date	B11					
Time	B12					

02-06

REPORT COMPLETION GUIDELINES

6.19 MARKETABLE GAS AND BY-PRODUCT PRODUCER ALLOCATIONS REPORT (BC-08)

PURPOSE

The BC-08 is used by producers (royalty payers) to report their shares of volumes of marketable gas available for sale by well event, and volumes and values of natural gas by-products sold from each well event. A BC-08 may include allocations for both Crown and freehold land. The Ministry will use data provided in BC-08s that it receives from a producer for a production period to calculate the royalty and tax payable by the producer for the period and generate a royalty/tax invoice.

A producer may submit more than one BC-08 for a production period and each BC-08 may be comprised of whatever allocations for the production period that the producer chooses to include. However, all allocations in a BC-08 must be for the same production period.

Producers must file one or more BC-08s with one allocation record for each monthly allocation of raw gas, marketable gas and by-product sales from each plant to each well event or Production Entity (PE). For example, if natural gas from a well event is delivered to two plants in a month, the producer's BC-08s for that month would have two allocation records for the well event. If a well event produces natural gas that does not require processing at a plant prior to delivery to market, also know as dry gas source, producers are required to use the reporting facility code as the plant code in the allocation record.

Marketable gas that is sold in the field should be added to the source well event's allocation of marketable gas from the primary plant to which gas from the well event is delivered for processing. The primary plant is the plant to which most gas from the well event is delivered for processing. The royalty share of field sales will be valued at the Reference Price for the primary plant. If the well event is a dry gas source, field sales should be added to the well event's marketable volumes for the reporting facility.

Field condensate from a well event that is tied into a reporting facility should be included in the allocation record with marketable gas and other by-products from the well event. Field condensate from a well event that is tied into a test facility should be reported as a separate allocation record with the test facility code reported as the facility and plant.

The Ministry will only recognize one allocation record from a producer for any combination of month, plant, and UWI or PE. If the Ministry receives an allocation record and already has a record with the same producer, month, plant, and UWI or PE, the Ministry will replace the older one with the newer one.

REPORT COMPLETION GUIDELINES

FILING OPTIONS

BC-08 reports may be filed through an Online Entry screen on the Ministry's website or in the form of a CSV file. CSV files must be in the format described in the Electronic Submissions section below. An Excel file that is automatically converted to a CSV file in the correct format is available from the Ministry's website.

BC-08 reports on paper will not be accepted. The paper depiction shown in these guidelines is for explanatory purposes only. The descriptions on each line appear as column headings in the Excel file. This depiction transposes the columns in the Excel file into lines to facilitate these guidelines.

AMENDMENTS

The BC-08 is also used to report amendments to previously reported volumes and values for periods from March 2006 and after. Amendments may include only those allocation records that are being corrected.

Amendments for producing months prior to March 2006 must be filed using the BC-10 report that was in use for those months. Amendments for producing months prior to April 2001 must be filed using the BC-14 report that was in use for those months.

TIMING

The BC-08 must be delivered to the Mineral, Oil and Gas Revenue Branch not later than the last day of the second month following the month in which the marketable gas is produced (the production period). If the last day is a Saturday, Sunday or statutory holiday, the report may be delivered on the next normal business day.

STANDARDS

All volumes must be reported to **one** decimal place. All values must be reported to **two** decimal places.

MANDATORY FIELDS

Mandatory data fields identified in this guideline must be completed. Failure to do so will result in processing of the allocation record being held up and may result in the assessment of a penalty.

REPORT COMPLETION GUIDELINES

GENERAL INFORMATION

General information items A1 to A3 must be completed in the BC-08 entry screen on the Ministry's website. For BC-08s in the form of CSV files, item B1 is embedded in the file name as well as being a data item in the file. Items A2 and A3 should be included in the email to which the CSV files are attached.

A1   **Producer Name** Enter the full name of the producer who is paying the royalty or tax on the reported production.

A2   **Contact Name** Enter the name of the person responsible for completion and submission of this BC-08.

A3   **Phone** Enter the phone number of the contact person named in A2.

ALLOCATION DATA

B1   **Producer Code (Mandatory)** Each allocation record in a BC-08 must have the 4-digit client code of the producer. The Online Entry screen and the Excel files from the Ministry website require the producer code to be entered only once in the header and will add it to each record.

B2   **Production Period (Mandatory)** Each allocation record in a BC-08 must have the six digits of the month in which the production occurs; e.g. March 2006 = 200603. The Online Entry screen and the Excel files from the Ministry website require the production period to be entered only once in the header and will add it to each record.

B3   **Plant Code (Mandatory)** Enter the 8-digit code of the plant at which the marketable gas and by-products were produced. This code determines the Reference Price that is used to calculate royalties on the marketable gas. If gas from the well event is dry and delivered to market without processing at a plant, enter the reporting facility code. For field condensate produced at a test facility, enter the test facility code.

B4   **Facility Code** Enter the 8-digit code of the reporting facility to which the well is connected. The facility determines the Producer Cost of Service (PCOS) rate that is used to calculate net royalties payable. If the reported facility is not the same as the facility to which the well is connected in the Ministry's system, the Ministry will use the PCOS rate for the latter and provide an information notice to the producer that the facility code on the BC-08 may be incorrect.

B5   **Production Source** A Production Source is an 8-digit code that Duke Energy assigns to a producer's interest in a well or group of wells delivering gas to a receipt point upstream of a Duke plant or to a delivery point on the Duke residue gas transportation system. Duke uses the production source code to charge gathering, processing and transportation tariffs to volumes moved on their transportation system. If gas from a well event enters the Duke system through one production source only during a month, enter the 8-digit code that Duke Energy has assigned to that production source. If gas from a well is delivered via more than one production source in a month, enter zeros as the production source.

REPORT COMPLETION GUIDELINES

ALLOCATION DATA cont'd

B6   **Unique Well Identifier or PE Code (Mandatory)** Enter the 16-digit Unique Well Identifier (UWI) for the well event to which the marketable gas and by-products have been allocated if it has been allocated to a well event that is not part of a unitized oil field (Production Entity or PE). Allocations to multiple completions in the same zone should be combined into one allocation record, using the UWI in the zone with the lowest event sequence. Allocations to commingled well events with an area based commingling approval should be reported to the deepest commingled well event in the well. For allocations to commingled well events with a single well commingling approval, a separate allocation record is required for each well event.

   If the Ministry does not recognize the reported UWI as valid, the Ministry will not process the allocation record and will contact the producer. This will not affect processing of other allocation records.

   Gas produced from oil well events in a PE does not have to be allocated to individual events. To allocate all gas produced from oil well events in an oil unit to the PE on one allocation record, enter the 4-digit PE code.

   If an oil PE includes a gas well, marketable gas and by-products produced from the gas well may be allocated to the gas UWI and marketable gas and by-products produced from the oil wells may be allocated to the PE on separate allocation records.

B7   **Allocated Raw Gas Volume** Enter the producer's share of raw gas production in 10^3m^3 that is delivered from the well event to the particular plant indicated in **B3**. If the producer's share of raw gas is delivered to two plants during the month, the sum of the allocated raw gas volumes for the two allocation records should be equal to the producer's share of raw gas produced from the well event during the month.

   The following example illustrates how the raw gas allocation for a well event should be determined:

Raw gas production:	Well Event 1	2,000
	Well Event 2	1,500
	Well Event 3	1,000
	Facility Total	4,500

   Facility fuel, venting, metering differences: 500

Delivered to Plant A	1,500
Delivered to Plant B	2,500
Total deliveries to plants	4,000

   Producer A's ownership interest in Well Event 1   50%

   Producer A's Allocated Raw Gas Volume – Well Event 1, Plant A:

   $$0.5 \ \times \ 2,000 \ \times \ 1,500 \ / \ 4,000 \ = \ 375$$

REPORT COMPLETION GUIDELINES

ALLOCATION DATA cont'd

B8   **Allocated Marketable Gas Volume** Enter the producer's share of marketable gas in 10^3m^3 produced from the well event at the plant indicated in **B3**. Marketable gas means gas delivered to a transportation system to markets or to a commercial storage facility or sold in the field.

B9   **By-Product Volumes** Enter the Producer's share of the volumes of by-products produced from the well event that were sold in the month. Natural gas by-product royalties are based on volumes sold during a month and the actual sales value. For volumes of ethane, propane, butane and pentanes, enter whatever the product was at the point of sale. Natural gas liquid volumes should be in m^3. Sulphur volumes should be in tonnes.

B10   **By-Product Values** Enter the actual consideration received or receivable by the producer for each by-product sales volume less costs incurred by the producer for processing and/or transporting the by-products from the processing plant to the point of sale. Eligible costs include fractionation and transportation costs. Transportation or fractionation costs that were used in establishing the consideration received or receivable should not be deducted again. Sales values must not be less than zero.

B11   **Date (Mandatory)** In CSV files generated by producers' systems, the date on which the BC-08 report is sent to the Ministry is generated in yyyymmdd format. For example, if a BC-08 is sent on May 31, 2006, 20060531 will be generated. Excel files from the Ministry website will automatically complete this field from the sending computer's clock. For BC-08s entered through the Online Entry screen on the Ministry's website, the entry date is automatically entered in this field.

B12   **Time (Mandatory)** In CSV files generated by producers' systems, the time when the BC08 is sent to the Ministry is generated and is in numeric 24 hour format as hours/minutes/seconds/hundredths of a second as hhmmsshh. Excel files from the Ministry website automatically complete this field from the sending computer's clock. For BC-08s entered through the Online Entry screen on the Ministry's website, this field is automatically completed with the entry time.

SUBMISSION SPECIFICATIONS

BC-08 reports may be submitted as CSV files attached to emails or Online via the Internet. The Online Entry screen is accessible at the Ministry of Small Business and Revenue website at www.gov.bc.ca/sbr or the Ministry of Energy, Mines and Petroleum Resources website at www.gov.bc.ca/em.

For CSV file submissions by email, the subject line of the email should state the type of file being submitted, that is, the BC08, the producer's name and the production period being reported either spelled or in YYYYMM numeric format (e.g. BC-08 July 2002 XYZ Energy, or BC-08 200207 XYZ Energy). The email should provide the name and phone number of the person to contact if there are any problems with the submission.

REPORT COMPLETION GUIDELINES

SUBMISSION SPECIFICATIONS cont'd

File names for BC-08 CSV files should have the following form:

nnnnYYYYMMyyyymmddhhmmsshh.08

Components of the file name are as follows:

nnnn is the 4-digit producer code

YYYYMM is the production period (e.g. 200603 for March 2006)

yyyymmdd is the date the report is sent (e.g. 20060531 for May 31, 2006)

hhmmsshh is the time the report is sent (e.g. 15051343 for 5 minutes 13.43 seconds after 3 pm)

The extension .08 indicates that the submission is a BC-08 type of file.

Example: **09992006032006053115051343.08** would be the file name for the BC-08 for producer 999 for allocations of March 2006 production submitted on May 31, 2006 at 5 minutes and 13.43 seconds after 1500 hours (3 pm).

Each allocation record in a BC-08 CSV file must be in the format shown below. All fields must be right justified and zero filled. Alphanumeric data must be in upper case. An allocation record length is 250 bytes.

Field No.	Field Name	Start	Length	Format	Example	Original
1	Producer Code	1	4+1 = 5	X(4),	0999,	0999
2	Production Period (YYYYMM)	6	6+1 = 7	X(6),	200603,	March, 2006
3	Plant Code	13	8+1 = 9	X(8),	00000010,	00000010
4	Facility Code	22	8+1 = 9	X(8),	00000011,	00000011
5	Production Source	31	8+1 = 9	X(8),	00001234,	00001234
6	Unique Well Id (UWI) or PE Code	40	16+1 = 17	X(16),	{ 1000000000000002, 0000000000000026,	1000000000000002 0026
7	Allocated Raw (S1) Gas Volume	57	9+1 = 10	9(7).9,	0012375.1,	12,375.1
8	Allocated Marketable Gas Volume	67	9+1 = 10	9(7).9,	0011975.3,	11,975.3
9	Ethane Volume	77	9+1 = 10	9(7).9,	000006.8,	6.8
10	Ethane Value	87	10+1 = 11	9(7).99,	0000787.55,	787.55
11	Propane Volume	98	9+1 = 10	9(7).9,	0000002.2,	2.2
12	Propane Value	108	10+1 = 11	9(7).99,	0000330.44,	330.44
13	Butane Volume	119	9+1 = 10	9(7).9,	0000004.4,	4.4
14	Butane Value	129	10+1 = 11	9(7).99,	0000670.22,	670.22
15	Plant Pentanes Plus Volume	140	9+1 = 10	9(7).9,	0000012.6,	12.6
16	Plant Pentanes Plus Value	150	10+1 = 11	9(7).99,	0002162.19,	2,162.19
17	Field Condensate Volume	161	9+1 = 10	9(7).9,	0000000.0,	0.0
18	Field Condensate Value	171	10+1 = 11	9(7).99,	0000000.00,	0.00
19	Sulphur Tonnage	182	9+1 = 10	9(7).9,	0000013.2	13.2
20	Sulphur Value	192	10+1 = 11	9(7).99,	0000596.09	596.09
21	Date Stamp (yyyymmdd)	203	8+1 = 9	X(8),	20060531,	May 31, 2006
22	Time Stamp (hhmmsshh)	212	8+1 = 9	X(8),	09051343	09:05:13.43 am
23	Dummy Field	221	30	X(30)	00000…. 00	

REPORT COMPLETION GUIDELINES

SUBMISSION SPECIFICATIONS cont'd

Following is the BC-08 CSV file layout with data from the 'Example' column above for the above example UWI and the required 250 characters split over 4 lines:

0999,200603,00000010,00000011,00001234,1000000000000002, 0012375.1,0011975.3,
0000006.8,0000787.55,0000002.2,0000330.44,0000004.4,0000670.22,0000012.6,0002162.19,
0000000.0,0000000.00,0000013.2,0000596.09,20060531,09051343,
00000000000000000000000000000000

Following is the BC-08 CSV file layout with data from the 'Example' column above for the above example PE and the required 250 characters split over 4 lines:

0999,200603,00000010,00000011,00001234,0000000000000026, 0012375.1,0011975.3,
0000006.8,0000787.55,0000002.2,0000330.44,0000004.4,0000670.22,0000012.6,0002162.19,
0000000.0,0000000.00,0000013.2,0000596.09,20060531,09051343,
00000000000000000000000000000000