



## REPORT COMPLETION GUIDELINES

### 6.5 REPORTING INTEREST STATEMENT (BC12)

#### PURPOSE

The Reporting Interest Statement (BC12) is used to advise the Ministry of the proportionate shares of production for which each producer will be responsible for paying royalties or freehold production tax. For oil, the ministry uses the reported interests to determine the amount of royalty to invoice to each producer. For gas, the ministry uses the reported interests to validate the volumes reported on Marketable Gas and By-Products Producer Allocations Reports (BC08).

The BC12 was amended for reporting interests that are effective with production in March 2006 and after. The amendments include a change in the name of the report to “Reporting Interest Statement” from “Reporting Entity Structure Statement”. The change in the BC12 coincides with implementation of reporting of marketable gas and by-product volumes by well event or production entity (PE) on BC08 reports and invoicing of gas royalties by well event or PE.

The revised BC12 is used to advise the Ministry of additions, changes or deletions of reporting interests in well events and tracts. Tracts are sections of land in a PE (oil unit agreement).

Additions, changes and deletions in reporting interests that take effect before March 2006 should be reported on the previous Reporting Entity Structure Statement version of the BC12. See Section 6.51 for guidelines on completion of this version.

#### RESPONSIBILITIES AND TIMING

A BC12 must be filed with the Mineral, Oil and Gas Revenue Branch whenever there is an addition or change to an ownership interest in a well or tract. Responsibility for submitting a BC12 and its due date depends on the nature of the addition or change.

##### **Facility Operator:**

The operator of a reporting facility is responsible for the submission of the BC12 for all royalty or tax paying partners in the following situations:

- A new well is connected to the facility (oil or gas)
- When gas from an oil well event starts to be gathered for sale
- Royalty/tax paying responsibilities of partners change because they begin or stop taking their share of production in kind

For these situations the BC12 is due on the 20th day of the month following the month in which the change in royalty/tax paying responsibility becomes effective.

The facility operator should provide a copy of the BC12 to affected royalty or tax paying partners so that they are aware of their responsibility. If royalty/tax paying partners do not agree with responsibilities as submitted, they should advise the facility operator. The facility operator should file another BC12 when partners do not agree with responsibilities reported.

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### Royalty/Tax Payor (Producer):

An owner of a royalty/tax paying interest in a well must submit a BC12 when they have acquired an interest in an existing well that is already connected to a facility. In this circumstance, the BC12 is due on or before the 20th day of the second month following the calendar month in which the closing date of the acquisition agreement occurs. The closing date determines when the royalty responsibility changes from the seller to the buyer. The first effective month for the royalty change will be considered to be the month after the month in which the closing date occurs.

Producers should provide facility operators with copies of their BC12's so that operators can update their records.

### CONTACT INFORMATION

- A1 Report of** Insert the full name of the company responsible for completion of the statement.
- A2 Page** Insert the page number and the total number of pages of the BC12.

### OWNERSHIP INFORMATION

- B1 Update Code (UC)** Enter the appropriate single-digit Update Code from the following options to indicate the requested action.

**A – Add:** This code should be used in the following circumstances:

- when reporting a Producer's interest in a new well event or tract
- when reporting an interest acquired by a Producer in an existing well event or tract in which the Producer did not previously have an interest.

**C – Change:** This code should be used in the following circumstances:

- when reporting a decrease in a Producer's interest in a well event or tract and the Producer continues to hold an interest in the well event or tract,
- when reporting an increase in a Producer's interest in a well event or tract in which the payor already had an interest.

**D – Delete:** This code should be used to remove a Producer's interest in a well event or tract.

If a 100% interest in a well event is being transferred from one Producer, the change should be reported using the "A" code on the line for the Producer to which the interest is transferred and the "D" code on the line for the Producer from which the interest is transferred.

- B2 Unique Well Identifier or Tract No. / PE Code** Enter the unique well identifiers of well events or the tract numbers for tracts in PE's for which the ownership interest is being added, changed or deleted. If the ownership interest is for a tract in a PE, also enter the 4-digit code assigned by the Ministry to the PE. Up to date listings of PE codes are available on the Ministry's website at [www.sbr.gov.bc.ca](http://www.sbr.gov.bc.ca).
- B3 Product** Enter either "oil" or "gas". Both types of product can be included on one BC12 by using a separate line for each product of the well event. Oil and gas are given separate group numbers.

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- B4 Payor Code** Insert the 4-digit client code that has been assigned by the Ministry to the Producer whose reporting interest in the well event or tract is being added, changed or deleted.
- B5 Payor Name** Insert the full name of the Producer whose interest in the well event or tract is being added, changed or deleted.
- B6 Reporting Interest** When using update code “A”, enter the Producer’s interest in a new well event or that has been acquired in an existing well event. When using update code “C”, enter the Producer’s interest remaining after the change. Do not enter the change in the interest. When using update code “D”, enter the Producer’s interest that is being deleted. Enter each interest as a percentage rounded to seven decimal places. The reporting interests of all Producers in each well event or tract must add up to 100% exactly.
- B7 Effective Period** - Enter 4-digits for the year and 2-digits for the month in which the reported addition, change or deletion in interest is to take effect (e.g. 200603 for March 2006).

**COMMENTS**

- C1** This section is mandatory when submitting a BC12 where an ownership interest has been purchased. Note the name and code of the producer who previously held the interest. Also, insert any comments that would be helpful to clarify the intent of the form.

**MORE CONTACT INFORMATION**

- D1 Contact Name** Insert the name of the person responsible for completion and submission of the BC12.
- D2 Date** Insert the date the report was completed.
- D3 Phone Number** Insert the phone number of the contact person named on the BC12.
- D4 Email Address** Insert the electronic mail address of the contact person named on the BC12.

**EXAMPLES**

(1) In June 2006 a new oil well with UWI 200B056I094A1100 is connected to reporting facility 06789. ABC Ltd (payor code 1234) is responsible for paying royalties on 60% of production from the well and CDE Ltd (payor code 4321) is responsible for paying royalties on 40% of production from the well. The facility operator should file a BC12 showing the following:

UC	Unique Well Identifier or PE Tract No.	Product	Payor Name	Payor Code	Reporting Interest	Effective Month	Facility Code or PE Code
A	200B056I094A1100	Oil	ABC Ltd	1234	60.0	200606	6789
A	200B056I094A1100	Oil	CDE Ltd	4321	40.0	200606	6789

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**EXAMPLES** cont'd

(2) Effective June 2006 royalty payor ABC Ltd (payor code 1234) buys a 100% interest in a gas well with UWI 200A078G094A1100 from CDE Ltd (payor code 4321). As purchaser of the interest, ABC Ltd should file a BC12 showing the following:

UC	Unique Well Identifier or PE Tract No.	Product	Payor Name	Payor Code	Reporting Interest	Effective Month	Facility Code or PE Code
A	200A078I094A1100	Gas	ABC Ltd	1234	100.0	200606	6789
D	200A078I094A1100	Gas	CDE Ltd	4321	100.0	200606	6789

(3) ABC Ltd (payor code 1234) owns 60% interest in an oil well with UWI 200B056I094A1100. Effective Nov 2006 ABC buys the other 40% interest from CDE Ltd (payor code 4321). As purchaser, ABC Ltd should file a BC12 showing the following:

UC	Unique Well Identifier or PE Tract No.	Product	Payor Name	Payor Code	Reporting Interest	Effective Month	Facility Code or PE Code
C	200B056I094A1100	Oil	ABC Ltd	1234	100.0	200611	6789
D	200B056I094A1100	Oil	CDE Ltd	4321	40.0	200611	6789

(4) Effective November 2006 ABC Ltd (payor code 1234) buys a 25% interest in a gas well with UWI 200C031I094A1100 from CDE Ltd (payor code 4321). The well is connected to reporting facility 6789. Before the sale ABC did not own any interest in the well and CDE had a 75% interest. CDE retains a 50% interest after the sale. As purchaser, ABC Ltd should file a BC12 showing the following:

UC	Unique Well Identifier or PE Tract No.	Product	Payor Name	Payor Code	Reporting Interest	Effective Month	Facility Code or PE Code
A	200C031I094A1100	Gas	ABC Ltd	1234	25.0	200611	6789
C	200C031I094A1100	Gas	CDE Ltd	4321	50.0	200611	6789

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**EXAMPLES** cont'd

(5) In August 2006 a new oil well with UWI 200C048I094A1100 is connected to reporting facility 06789. ABC Ltd (payor code 1234) is responsible for paying royalties on 50% of production of oil and 100% of production of gas from the well. CDE Ltd (payor code 4321) is responsible for paying royalties on 50% of production of oil from the well. The facility operator should file a BC12 showing the following:

UC	Unique Well Identifier or PE Tract No.	Product	Payor Name	Payor Code	Reporting Interest	Effective Month	Facility Code or PE Code
A	200C048I094A1100	Oil	ABC Ltd	1234	50.0	200608	6789
A	200C048I094A1100	Oil	CDE Ltd	4321	50.0	200608	6789
A	200C048I094A1100	Gas	ABC Ltd	1234	100.0	200608	6789