



Doing Oil and Gas Business in Saskatchewan is About to Get Easier

What you need to know about the Ministry of Energy and Resources' Process Renewal and Infrastructure Management Enhancements (PRIME) Project

PRIME 101

PRIME is a multi-million dollar, multi-year, multi-project initiative that will renew and modernize Energy and Resources' (ER) oil and gas business processes and computer systems.

At a high level, PRIME will:

- Renew ER's oil and gas business processes and information systems to better meet the needs of industry stakeholders and the ministry
- Develop an integrated information system to support the ministry's new business processes that will provide web-based, self-service functionality to industry

PRIME will modernize the ministry's business processes and systems related to:

- Well and facility infrastructure, as well as oil and gas volumetric and valuation reporting
- Oil and gas royalty and tax information and billing
- Pipeline and flow line infrastructure
- Reservoir management
- Petroleum tenure and subsurface management



The government's oil and gas legislation and regulations are being modernized to support the new business processes being introduced by PRIME.

Registry Saskatchewan Inclusion Project (RSIP)

The Province of Saskatchewan became a full partner in the Petroleum Registry of Alberta in July 2009. RSIP is the PRIME project that will facilitate Saskatchewan's oil and gas industry to report well and facility infrastructure, volumetric and valuation information through the registry for use by the ministry and other stakeholders. Joining the registry will enable the ministry to replace one of its existing legacy oil and gas systems with a secure, integrated solution that will interface to other ministry systems and government enterprise solutions.

Royalty/Tax Billing Enhancements

PRIME will also change industry reporting and billing. For example:

- As a result of joining the Petroleum Registry, ER is moving from a paper-based reporting and invoicing system to e-filing and e-billing.
- ER will calculate and invoice oil and gas crown royalties and freehold production taxes by about 40 days after the end of the production month based on information reported in the registry (i.e. March 2012 production month will be invoiced as early as possible in May with payment due on or about May 10th).
- Estimate payment of oil and gas crown royalties and freehold production taxes using the EM687 for a specific production month will no longer be required at the end of the month following the month of production (i.e. March estimate is due April 30).

Changes to Non-Compliance Fees and Processes

Joining the registry will change how non-compliance fees are assessed for missing reports. Since industry will no longer be submitting forms to complete monthly volumetric and valuation regulatory reporting, but entering data into the registry, the non-compliance fees will be assessed on missing data and errors.

- The existing *Compliance Enforcement Program* remains in effect for penalty assessments for production months related to the pre-registry production period.
- Currently, late filing penalties are assessed at a rate of \$10 per day if a report is received past the due date. Non-compliance fees following the implementation of the registry will be assessed based on missing data and errors identified by registry sweeps at a rate of \$100 to \$500 per transaction.
- There will be a six (6) month shadow billing period where penalties are calculated but will not be assessed or due. The intent is to give industry time to learn the new system and realize the financial consequences of delinquent reporting and reporting information 'in error.'
- Industry will have the ability to request a waiver (or partial waiver) of the penalties assessed.

Stay Informed

PRIME improvements will be introduced over the next several years. To get the latest information on PRIME, visit Energy and Resources' website at: www.er.gov.sk.ca.

Want to know more?

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