



## CRUDE OIL ROYALTY/TAX FORMULAS

The following formulas are used to determine the applicable Crown Royalty and Freehold Production Tax rates in accordance with *The Crown Oil and Gas Royalty Regulations* and *The Freehold Oil and Gas Production Tax Regulations, 1995*.

	Monthly Oil Production (m <sup>3</sup> )	Crown Royalty Rate (%)	Freehold Production Tax Rate (%)
Fourth Tier Oil	0 – 25.0	0	0
	25.1 – 136.2	$(C \times MOP) - D$	Crown Royalty Rate (%) – PTF
	Over 136.2	$\left( K - \frac{X}{MOP} \right)$	Crown Royalty Rate (%) – PTF
Third Tier Oil, New Oil and Old Oil	Any amount	Greater of 0 and $\left( K - \frac{X}{MOP} \right) - SRC$	Crown Royalty Rate (%) – PTF

Current and previous month's factors can be found at:

<http://www.er.gov.sk.ca/royaltytaxfactors>

Note: 1) MOP = Monthly Oil Production of a well in cubic metres.

2) SRC = Saskatchewan Resource Credit of:

- (a) 2.5 percentage points for all oil produced prior to April 2013 from vertical oil wells or gas wells drilled on or after February 9, 1998 and before October 1, 2002. Also for all incremental oil produced prior to April 2013 from new or expanded waterfloods implemented on or after February 9, 1998 and before October 1, 2002;
- (b) 2.25 percentage points for all oil produced on or after April 1, 2013 from vertical oil wells or gas wells drilled on or after February 9, 1998 and before October 1, 2002. Also for all incremental oil produced on or after April 1, 2013 from new or expanded waterfloods implemented on or after February 9, 1998 and before October 1, 2002;
- (c) 1.0 percentage point for all other “old oil”, “new oil” and “third tier oil” produced prior to April 2013; and
- (d) 0.75 percentage points for all other “old oil”, “new oil” and “third tier oil” produced after April 1, 2013.

3) PTF = Production Tax Factor of 6.9 for freehold “old oil”, 10.0 for freehold “new oil”, 10.0 for freehold “third tier oil” and 12.5 for freehold “fourth tier oil”.



## NATURAL GAS ROYALTY/TAX FORMULAS

The following formulas are used to determine the applicable Crown Royalty and Freehold Production Tax rates in accordance with *The Crown Oil and Gas Royalty Regulations* and *The Freehold Oil and Gas Production Tax Regulations, 1995*.

	Monthly Gas Production (10 <sup>3</sup> m <sup>3</sup> )	Crown Royalty Rate (%)	Freehold Production Tax Rate (%)
Fourth Tier Gas From "Gas Wells"	0 – 25.0	0	0
	25.1 – 115.4	$(C_g \times MGP) - D_g$	Crown Royalty Rate (%) – PTF <sub>g</sub>
	Over 115.4	$\left( K_g - \frac{X_g}{MGP} \right)$	Crown Royalty Rate (%) – PTF <sub>g</sub>
Fourth Tier Gas From "Oil Wells"	0 – 64.7	0	0
	Over 64.7	$\left( K_g - \frac{X_g}{MGP} \right)$	Crown Royalty Rate (%) – PTF <sub>g</sub>
Third Tier Gas, New Gas and Old Gas	0 – 115.4	$(C_g \times MGP) - SRC$	Crown Royalty Rate (%) – PTF <sub>g</sub>
	Over 115.4	$\left( K_g - \frac{X_g}{MGP} \right) - SRC$	Crown Royalty Rate (%) – PTF <sub>g</sub>

Current and previous month's factors can be found at:

<http://www.er.gov.sk.ca/royaltytaxfactors>

- Note: 1) MGP = Monthly Gas Production of a well in thousands of cubic metres.  
 2) SRC = Saskatchewan Resource Credit of:  
 (a) 1.0 for "old gas" and "new gas" produced prior to April 2013;  
 (b) 0.75 for "old gas" and "new gas" produced on or after April 1, 2013;  
 (c) 2.5 for "third tier gas" produced prior to April 2013; and  
 (d) 2.25 for "third tier gas" produced on or after April 1, 2013.  
 3) PTF<sub>g</sub> = Production Tax Factor of 6.9 for freehold "old gas", 10.0 for freehold "new gas" and freehold "third tier gas" and 12.5 for freehold "fourth tier gas".