Financial Security Requirements

Directive PNG025

January 2023

Version 3.0

Governing Legislation:

Act: *The Oil and Gas Conservation Act*

Regulation: *The Financial Security and Site Closure Regulations*

Order: 264/22

Record of Change

Revision	Date	Description
0.0	October 1, 2017	Initial Draft (replacing Guideline PNG025)
1.0	May, 2018	Approved First Version
2.0	June, 2019	Amendment to complete phase-out of PVS factor
2.1	May, 2020	Amendments to facilitate integration into IRIS
3.0	January, 2023	Re-named and revised to align with the requirements of *The Financial Security and Site Closure Regulations*, including the enhanced Licensee Liability Rating program and the new Inactive Liability Reduction Program.

Contents

1. Introduction

This directive sets out additional requirements and rules pertaining to *The Financial Security and Site Closure Regulations* (FSSCR).

Other requirements and guidelines that are pertinent to the topics in this Directive are:

- *Directive PNG016: Acknowledgement of Reclamation Requirements; and*
- *Directive PNG031: Site Specific Liability Assessment*

Inquiries regarding Directive PNG025 should be directed to the Ministry of Energy and Resources (ER) Service Desk at 1-855-219-9373 or ER.Servicedesk@gov.sk.ca.

1.1 Governing Legislation

The requirements outlined in this Directive are based on *The Oil and Gas Conservation Act* (OGCA), *The Oil and Gas Conservation Regulations, 2012* (OGCR), and the FSSCR. Licensees should consult these documents in conjunction with this Directive.

It is the responsibility of all licensees, as specified in the legislation to be aware of and to ensure compliance with these requirements.

1.2 Scope and Applicability of Directive

The requirements outlined in this Directive apply to licensees that hold one or more licences authorizing oil and natural gas operations. Pursuant to section 3-1(1)(e) of the FSSCR, ER may require any licensee to submit a security deposit if there is financial risk related to the closure work of a well, facility and any associated structure or infrastructure.

1.3 Definitions

Assessed Problem Site: is the status of a problem site after a site-specific liability assessment (SSLA) has been submitted to ER and reviewed.

Inactive Liability Reduction Program (ILRP): means the program for the management of inactive liabilities established pursuant to Part 5 of the FSSCR.

Unassessed Problem Site (UPS): is a site that has been identified as a problem site, but a SSLA has not been submitted to ER.

2. Security Deposit Requirements

Under the FSSCR, there are several reasons for which the Minister may require a licensee to submit a security deposit. These are:

- If the Licensee Liability Rating (LLR) of a licensee becomes less than 1 following a monthly LLR assessment and the amount of security owed is greater than $10,000.00, a deposit may be required.
- If a licensee does not meet their Annual Reduction Target (ART) with respect to their inactive liabilities.

- As condition of a licence transfer.
- Corporate financial information supplied by the licensee indicates that the company is at risk of insolvency.

Note that although the Minister may request security in cases where a licensee has not met their ART, as indeed there will be circumstances that prevent companies from meeting their ART, such as weather conditions, posting security is not an acceptable long-term (year over year) alternative for meeting the requirements of the ILRP. In order to meet compliance with the ILRP, licensees will be required to carry out actual abandonment, decommissioning, reclamation and remediation work.

2.1 Payment of a Security Deposit

Payment of security is required pursuant to the FSSCR and must be provided within 30 days of invoice issuance. ER may consider installment payments and/or extensions for invoices issued as a result of LLR assessment - see www.saskatchewan.ca for eligibility requirements and application process.

Security deposit payments must be made payable to the **Minister of Finance** and licensees must reference the invoice number to expedite processing. Where another party is providing payment on behalf of the invoiced licensee, please ensure this is communicated at the time of submission to ensure payment is applied to the appropriate licensee's account.

The invoiced amount can be paid by Electronic Funds Transfer (EFT), direct deposit, cheque or Irrevocable Letter of Credit (LOC).

Where a LOC is the method chosen, the LOC must adhere to the following criteria for acceptance by ER:

- Obtained from a recognized Canadian Bank, Credit Union, or Trust Company registered in Canada guaranteeing payment to the beneficiary upon presentation to the issuer.
- Obtained by the licensee who was issued the security deposit invoice and identified as the Applicant on the LOC.
- Only renewable LOCs that adhere to the applicable ER-standardized *LOC Form* or *Amended LOC Form* (available on www.saskatchewan.ca) will be accepted. Therefore, the licensee must ensure the financial institution is provided the form and adheres to the requirements before submission to ER.

A licensee may change their security deposit payment method at any time. However, the existing form of security deposit will not be released until the replacement security deposit has been received and processed by ER.

Questions regarding security deposit payment should be directed to the ER Service Desk at 1-855-219-9373 or ER.Servicedesk@gov.sk.ca.

2.2 Enforcement Actions for Non-Compliance of Security Deposit Payment

Where a licensee fails to provide security deposit payment within 30 days of invoice issuance, the amount owing is a debt to the Minister and may be collected in any manner the Minister considers appropriate, including in the manner provided in the OGCA. Prior to obtaining a Court issued judgment against the licensee to collect the outstanding debt, ER may issue various Minister's Orders requiring the licensee to suspend operation, abandon wells and associated flowlines, decommission facilities, or reclaim well/facility sites by a given date in lieu of the security deposit payment.

Should the required security deposit payment be received by ER at any time during the enforcement process, any Minister's Orders or judgments issued relating to the recovery of the outstanding security would be rescinded/discharged.

Where a security deposit has not been received in the amount and time specified, ER may take any or all of the enforcement actions specified in Appendix 1. Notifications regarding enforcement actions will be sent to licensees through the Integrated Resource Information System (IRIS).

Please be advised that this is public information and will be viewable in IRIS for those with access.

3. Licence Transfer Assessments

If a licensee wishes to transfer a well or facility licence to another licensee, a licence transfer application must be completed in conjunction with the other party and submitted through IRIS. ER conducts an assessment on both licensees involved in the transfer to determine if the transfer will require a security deposit from either the buyer and/or seller to proceed or whether other conditions are required to be met.

To complete the assessment, both an LLR assessment and a Proportional Risk Transfer (PRT) assessment will be conducted as set out in Part 4 of the FSSCR. The security deposit requirement will be the value of whichever of the two assessments is the greatest.

ER may require the submission of quarterly financial data for transfer evaluation purposes.

The LLR and PRT models are both employed in licence transfers because they measure different types of risk. The LLR model is designed to measure individual operator risk and ensure that a licensee has the minimum sufficient cash flow to offset their liabilities. In contrast, the PRT model measures the risk to industry and ensures that transfers are not increasing the risk to the sector as a whole through unsecured flow of inactive liabilities from one operator to another.

Note that licence transfer applications will be denied if the required security deposit is not received within 30 days of invoice issuance.

3.1 Upper Threshold for PRT Assessments

As per section 4-2(3) of the FSSCR, if the prorated LLR of the transferee is above a certain value, post transfer, then the Minister may waive the requirement to pay a security deposit. For the purposes of section 4-2(3), that value shall be set at 1.0.

The upper threshold on PRT assessments is used in recognition of the fact that the higher a licensee's LLR is post-transfer, the less risk they are to the orphan fund. If a licensee's post transfer LLR is sufficiently high, then the risk is minimized and no deposit would be required.

Note that the prorated LLR is used for this purpose rather than the standard LLR because the standard LLR is not sensitive to the level of inactive infrastructure a company might have. Two companies having identical LLR's may represent entirely different levels of risk due to the relative productivity of their producing wells and the amount of inactive infrastructure they each have. The prorated LLR does is not impacted by this problem because it is prorated to account for inactive infrastructure.

The formula for the prorated LLR is as follows:

$$\text{Prorated LLR} = \text{LLR} \times \frac{\text{liabilities attributable to active infrastructure (\$)}}{\text{total liabilities (\$)}}$$

4. Deemed Liability Values

For purposes of the FSSCR, the deemed abandonment, decommissioning and reclamation values are specified in Appendices 2, 3, and 4.

Note that liability is not assigned to a newly drilled well until one year after its spud date unless it is abandoned during that time, and in that case the reclamation liability is immediately assigned.

The abandonment and reclamation costs of a facility are calculated based on the well equivalent assigned to a facility. The well equivalent is obtained from Appendix 4 and is a term used to capture the relative liability of a facility as compared to a well. It takes into account factors such as facility type and design throughout capacity (i.e. total inlet rate for oil, gas, and water) as provided within the facility licence application. The abandonment cost of a facility is $10,000 per well equivalent. The reclamation cost of a facility can be derived from Appendix 3 multiplied by the well equivalent and is based on the surface location of the facility in relation to the applicable ER field office administrative boundaries as shown in Appendix 5.

Liability is not assigned to a new facility until one year after its construction date unless it is decommissioned during that time, and in that case reclamation liability is immediately assigned.

Note that these values are subject to change as they are updated from time to time based on actual expenditure data submitted under the ILRP.

4.1 Deemed Liability for Problem Sites

4.1.1 Potential and Unassessed Problem Sites

Potential problem sites are identified through self-disclosure by the licensee or through an on-site inspection conducted by ER personnel. Inspections may be conducted during normal ER field activities or at the request of the landowner.

ER will notify a licensee of any well/facility site identified as a potential problem site and provide the licensee with an opportunity to respond. If a licensee cannot establish that the potential problem site identification was in error, ER will classify the well or facility site as an Unassessed Problem Site (UPS) and set the liability of the site at **four times** the standard reclamation liability or greater depending on the severity of the issue identified.

When a UPS classification is assigned to a well or facility, ER will notify the licensee in writing that a SSLA is required in accordance with *Directive PNG031: Site Specific Liability Assessment*, within a specified timeframe.

4.1.2 Assessed Problem Sites

The site will be reclassified as an Assessed Problem Site (APS) if the estimated cost and recommendations of the submitted SSLA are acceptable to ER. The assessed liability as determined by the SSLA will be used to set the reclamation liability of the site and will remain in effect until reclamation related progress has been made at the site.

For an APS, both monthly and licence transfer LLR assessments are conducted using the assessed value as determined in the SSLA.

4.1.3 Transferring a Licence Designated as Unassessed Problem Sites

If an UPS is transferred, the total reclamation liability associated with the licence as determined by ER during the UPS designation, will be multiplied by a factor of 10 post-transfer. This is to account for the uncertainty and risk involved in transferring a well/facility licence in the absence of a SSLA to quantify the exiting liability.

A licensee acquiring an UPS will have the UPS liability calculated at the higher rate for all security assessments until the UPS classification is removed or changed to an APS.

4.2 Reduction in Deemed Reclamation Liability with Reclamation Declaration Application

Where licensees have reclaimed well or facility sites in accordance with the OGCR and only the establishment of vegetation is still required, licensees may be eligible for a reduction in the deemed reclamation liability via a Reclamation Declaration Application.

A Reclamation Declaration Application for a well or facility site must be submitted by a qualified third-party consultant (as defined in *Directive PNG016: Acknowledgement of Reclamation Requirements*) on behalf of licensees.

Once the application is approved, the associated deemed reclamation liability of the licence will be decreased to $5,000.

4.3 Multiple Licences on a Lease

Where a licensee has more than one well or facility licence on a single surface lease, the licensee may qualify for a reclamation liability reduction. In order for the application to be accepted, the well and facility licences must be non-abandoned and currently hold reclamation liability.

Should ER approve the reduction request, the reclamation liability of the highest well or facility licence would be retained and the remaining licences would be reduced to 10 per cent of their original reclamation amount.

Where a licensee holds multiple facility licences on a single site, the licence with the highest liability retains the full liability amount and IRIS automatically reduces the reclamation liability of any secondary facility licences. Therefore, there is no need to apply for this reduction for sites with only facility licences.

To apply, ER requires the licensee to submit the completed *Multi-Licensed Site Reclamation Liability Reduction Form* and required attachments for consideration. Refer to www.saskatchewan.ca for more details regarding the IRIS application process.

5. Refund of a Security Deposit

5.1 Refund Eligibility

To obtain a security deposit refund, ER requires the licensee (for which the security is held) to provide a formal refund request in writing using the standardized *Security Deposit Request Form* (available on www.saskatchewan.ca). Licensees should submit the completed form through IRIS.

In addition to the rules and regulations pertaining to refunds, ER may also consider the following when making a decision regarding a security deposit refund:

- Non-compliance with respect to the Act or regulatory requirements. This includes non-compliance with respect to ER regulatory programs and/or outstanding field inspection items;
- Knowledge of any issues of contamination at problem sites that have not been properly assessed in terms of remediation costs;
- Outstanding debts owed to ER.

As stated in section 2, there are a number of distinct reasons under the FSSCR for which the Minister may require a licensee to submit a security deposit. These various security deposit types are required for different purpose in order to offset different types of risks and therefore the rules pertaining to the refund of these deposits may also differ.

The sections below describe the refund rules for the various deposit types described in section 2. In addition, please refer to the flowchart in Appendix 6 for a schematic detailing the refund process.

Note that a licensee's corporate financial information will also be reviewed as a part of the refund process (see section 7) and may have an impact on the amount of security refunded.

5.1.1 LLR and PRT Deposit Refunds

Licensees may be eligible for a LLR or PRT deposit refund based on the following criteria:

1. Licensee is compliant with the ILRP; and
2. Licensee's prorated LLR is greater than or equal to 1.0 for a minimum of 6 months; or
3. Licensee's security deposit amount is greater than their total liabilities.

The above rules pertain to LLR security that was required as a consequence of a monthly LLR assessment as well as an LLR or PRT transfer assessment.

Note that a licensee's corporate financial information will also be reviewed as a part of the refund process (see section 7) and may have an impact on the amount of security refunded.

5.1.2 ILRP Deposit Refund

Licensees may be eligible for an ILRP deposit refund when the licensee has reduced their liability by an amount that is greater than or equal to the deposit amount, either through completing closure work or licence transfers that occurred after the deposit has been collected.

As a part of the review, compliance with the LLR program will be considered. If the licensee is not compliant with the LLR program, the deposit amount required to be compliant with the LLR program will be deducted from the ILRP deposit amount prior to issuing the refund. This now becomes a LLR deposit. If the licensee is compliant with the LLR program, then the full ILRP deposit will be refunded.

Note that a licensee's corporate financial information will also be reviewed as a part of the refund process (see section 7) and may have an impact on the amount of security refunded.

6. Management of Liabilities, Inactive Liability Reduction Program (ILRP)

In accordance with the FSSCR, licensees are required to meet an ART with respect to the licensee's inactive liabilities.

6.1 Application for a Decrease in a Licensee's ART

As per the FSSCR, licensees may apply to the Minister for a reduction in their ART in situations where a licensee's ART would result in it having to abandon or decommission infrastructure that it intends to reactivate or use for a future purpose.

The application must identify the affected infrastructure and provide an explanation as to the purpose for which the infrastructure will be reactivated or used in the future and the timing or scheduling of the reactivation.

If approved, ER will set a timeline in which the reactivation or use of the infrastructure must commence and be completed. ER may also require the submission of a security deposit at any time during the process or as a requirement to approve the plan.

ER may also authorize a reduction in a licensee's ART on application for licensees in extenuating financial circumstances.

In either case, the licensee must clearly describe their circumstances and provide a detailed explanation as to why the current ART should be reduced. To apply for a decrease in a licensees ART, please email the ER service desk at er.servicedesk@gov.sk.ca with the subject line "Request for a decrease in ART".

6.2 Use of Security Toward Annual Reduction Target

In accordance with the FSSCR, licensees can apply to the Minister to use any type of security deposits (LLR, PRT, ILRP) on account with ER, for the purpose of putting it toward meeting their ART, by having abandonment, decommissioning, reclamation or remediation work carried out.

Note that this process is not the same as a refund. Unlike a refund, the licensee must carry out closure work in order to be able to access their security for this purpose. Licensees must also be compliant with respect to security owing in order to qualify to use security for closure work.

To apply to use security please email the ER service desk at er.servicedesk@gov.sk.ca with the subject line "Request to use security for ART".

If a licensee's application to use security to meet their ART is approved, the licensee can then procure the necessary services to complete the planned closure work. In order to provide proof of the expenditures made, licensees will be required to have the vendor(s) submit a signed acknowledgement certifying the work completed and that full payment was received. The acknowledgement template is called "Acknowledgement of Payment for Service.pdf".

Once the closure work is complete, and the licensee has paid all associated invoice(s), ER will then issue the required security to the licensee. However, licensees should be aware that ER will not provide any payment to a licensee that is in excess of the deemed liability associated with the closure work that has been carried out, unless otherwise approved by the Minister.

6.3 Reporting of Expenditures Incurred to Meet Annual Reduction Target

The FSSCR establishes licensees' obligations with respect to reporting of expenditures incurred to meet their ART.

In addition to those requirements, licensees will be required to report the actual expenditures attributable to each closure activity carried out at each corresponding well, facility or flowline within 90 days following the program year end.

For the purposes of this reporting, licensees shall use the excel file named "ILRP Expense Reporting.xls", available on www.saskatchewan.ca. Once complete, the information is to be submitted through IRIS.

Note that reported expenditures should include PST but not GST.

7. Corporate Financial Information

In accordance with section 4-3 of the FSSCR, licensees are required to submit corporate financial information when requested by the Minister. This information will be used in conjunction with the LLR program to better evaluate the financial capacity of licensees to meet their end-of-life asset retirement obligations. The information may be used to assess the amount of security that may be required under the LLR program or for a licence transfer. The following are types of financial information that may be requested:

Total Current Assets: the total amount of assets recorded as current on the balance sheet or statement of financial position.

Total Current Liabilities: the total amount of liabilities recorded as current on the balance sheet or statement of financial position.

Total Shareholders Equity: the residual interest in assets after deducting all liabilities.

Total Revenue (net): total revenue generated from sale of oil/gas products, processing/store/transporting/marketing of oil/gas products, other sales and/or interest income with the subtraction of royalties paid. As well this value excludes revenue from purchased commodities

Revenue from sale of purchased commodities: total revenue generated from purchased commodities that were strictly for resale.

Interest Expense: the total costs of servicing debt including interest and other costs of borrowed funds.

Net Income (or loss): total revenues less expenses, excluding components of other comprehensive income. This is net income (or loss) after taxes.

Adjusted EBITDA: net income before interest, taxes, depreciation, and amortization. Along with further deductions in respect of non-cash items, including depletion, depreciation, amortization and accretion of asset retirement obligations, unrealized losses on Hedge Agreements, non-cash compensation expenses and provisions for the impairment of oil and gas assets.

Total Cashflow from Operations: the total amount of cash a company generates (or consumes) from carrying out operating activities over a fiscal period.

Total Debt: total short-term and long-term debt of the company, excluding lease liabilities and asset retirement obligation (ARO).

Lease Liabilities: under standard IFRS 16, the financial obligation to make the payments arising from a lease, measured on a discounted basis.

Operating Netback for Saskatchewan Operations: this is a 12-month calendar year average operating netback for a licensees Saskatchewan production only ($/m^3). To calculate the netback, subtract total annual operating costs, royalties, freehold production tax and annual transportation costs from the annual gross production value to obtain an annual net income.

Natural gas volumes should be converted to an economic equivalent volume of oil by dividing the gas volume by the ratio of the 12-month average oil price in $/m^3 to the 12-month average gas price in $/10^{3}m^3. Any sales of natural gas liquids should be added to the oil and gas sales value.

Also, the netback is to be provided as both a net and a gross value. To obtain the gross value, do not subtract out working interest share amounts. Rather, assume as the licensee, your company would receive all revenue for a well, and pay all operating costs, transportation costs, royalties, taxes, etc.

Company Directors/Officers: In addition to the above requirements, licensees shall also submit a complete list of the licensee's current directors/officers.

7.1 Financial Information Submission

The due date for the submission of required financial information will normally be June 30th of each year (note however, as per the FSSCR, the minister may request financial information at any time and set deadlines other than June 30th). The information provided must be from the licensee's most recent available financial statements. ER will set the due date for financial information submission through obligations in IRIS. Licensees will be responsible to set appropriate permissions to receive notifications of the creation and maintenance of corporate financial information obligations. Licensees must submit the following financial documents through IRIS:

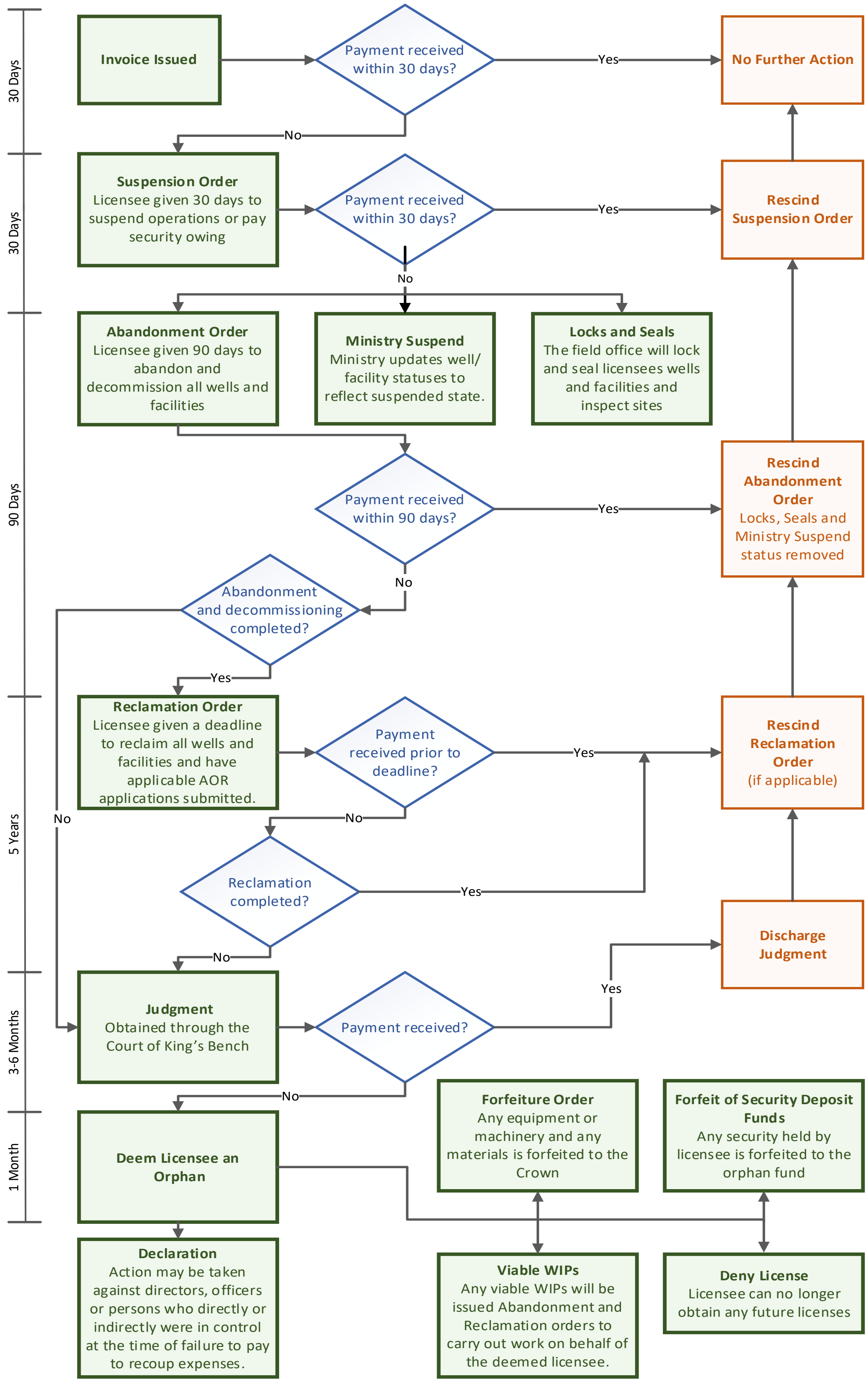
1. "Corporate Financial Data Submission.xls" spreadsheet template with the updated financial information from the most recent financial statement.
2. A PDF of the audited or management-prepared financial statement related to that submitted in the Corporate Financial Data Submission spreadsheet. If available fully audited financial statements are to be submitted.
3. Template "Financial Submission Declaration.pdf" with the signature of a director or officer.

Upon the June 30th due date, if a licensee is a new company that does not yet have financial history details, then the licensee must submit the required financial information by the end of the following quarter (September 30th).

Additionally, ER may request the submission of a licensee's most current financial metrics in the case of licence transfers.

As per section 10 of the FSSCR, financial information will be kept confidential, unless that information is already public.

Appendix 1: Security Deposit Non Compliance Enforcement Ladder



Appendix 2: Provincial Well Abandonment Deemed Liability Values

Area 1. Lloydminster

Total Vertical Depth (mkb)	Empty, Not Perforated	Empty, Perforated	Tubing Only	Tubing & Rods
0 - 1199	$5,100	$12,300	$16,800	$18,900
1200 - 1999	$5,100	$13,700	$18,100	$31,300
2000 - 2499	$5,100	$15,100	$32,600	$34,500
2500 - 2999	$5,100	$16,900	$39,000	$41,500
≥ 3000	$5,100	$19,800	$49,500	$53,900

Area 2. Kindersley

Total Vertical Depth (mkb)	Empty, Not Perforated	Empty, Perforated	Tubing Only	Tubing & Rods
0 - 1199	$5,100	$11,800	$17,500	$20,100
1200 - 1999	$5,100	$13,100	$26,300	$28,500
2000 - 2499	$5,100	$14,500	$30,000	$32,300
2500 - 2999	$5,100	$16,200	$38,200	$40,700
≥ 3000	$5,100	$16,200	$38,200	$40,700

Area 3. Swift Current

Total Vertical Depth (mkb)	Empty, Not Perforated	Empty, Perforated	Tubing Only	Tubing & Rods
0 - 1199	$5,100	$11,800	$17,500	$20,100
1200 - 1999	$5,100	$13,100	$26,300	$28,500
2000 - 2499	$5,100	$14,500	$30,000	$32,300
2500 - 2999	$5,100	$16,200	$38,200	$40,700
≥ 3000	$5,100	$16,200	$38,200	$40,700

Area 4. Estevan

Total Vertical Depth (mkb)	Empty, Not Perforated	Empty, Perforated	Tubing Only	Tubing & Rods
0 - 1199	$5,100	$12,300	$16,800	$18,900
1200 - 1999	$5,100	$13,700	$18,100	$31,300
2000 - 2499	$5,100	$15,100	$32,600	$34,500
2500 - 2999	$5,100	$16,900	$39,000	$41,500
≥ 3000	$5,100	$19,800	$49,500	$53,900

Note: Swab Wells and Water Source Wells are assigned a $5,100 abandonment liability under the LLR Program regardless of their location or depth.

Where applicable, the following parameters are applied in addition to the above abandonment costs:

- Commingled or Multi-zone wells +25% per completion
- Ground Water Protection Cost $25,300
- Surface Casing Vent Flow Repair Cost $30,900
- Gas Migration Cost $33,000

Appendix 3: Well and Facility Reclamation Liability Values

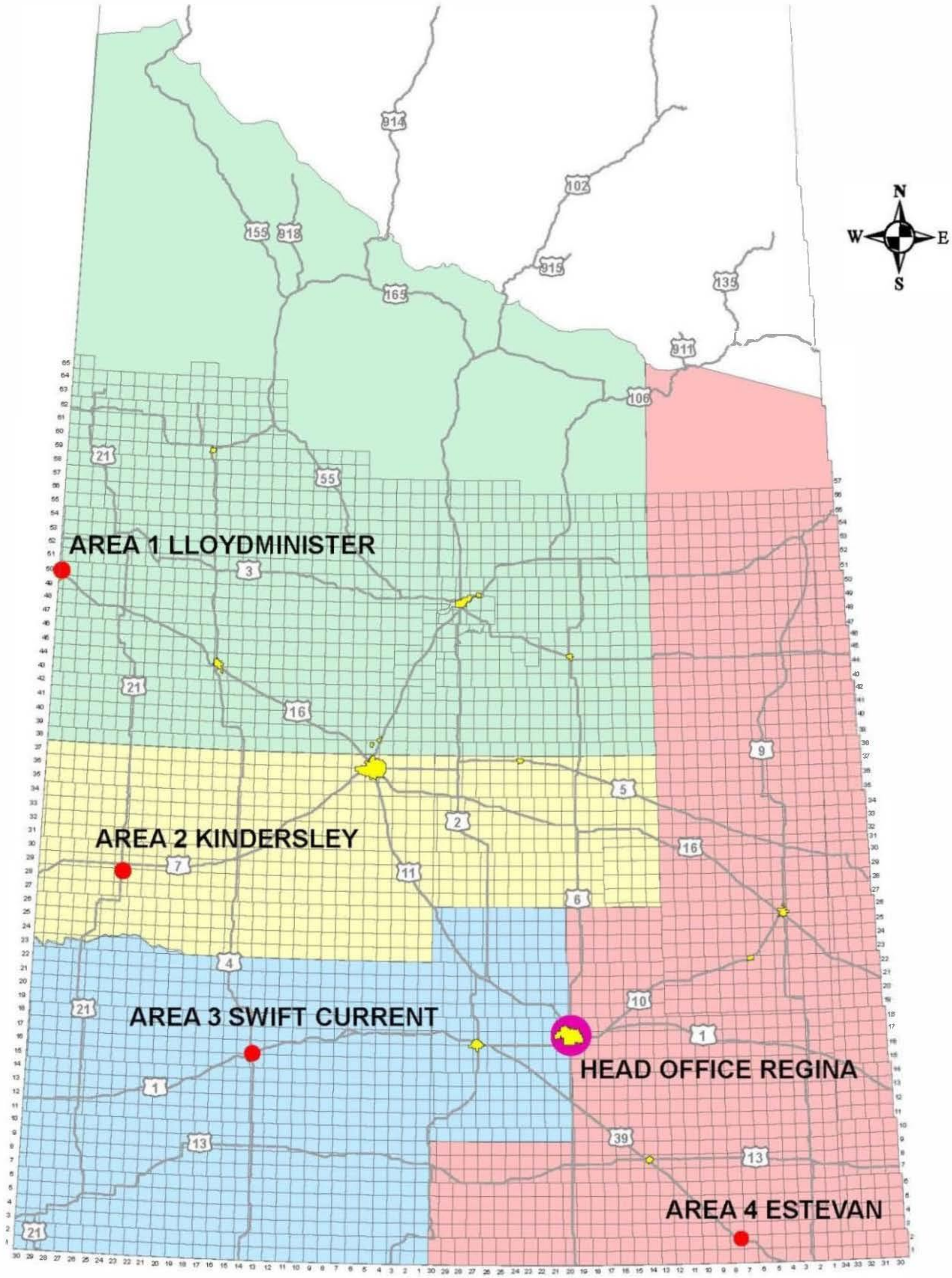
ER Field Office	Licence Type or Status	Reclamation Cost
Any	Re-entered Well (original well licence that has been re-entered)	$0.00
Any	Cancelled Well or Facility (no surface disturbance exists related to the cancelled licence)	$0.00
Any	Cancelled Well or Facility (surface disturbance exists related to the cancelled licence)	$5,100.00
Any	Swab Well or Water Source Well	$5,100.00
Any	Multi Well Swabbing Oil Battery	$5,100.00
Area 1 Lloydminster	Any, excluding above exceptions	$22,200.00
Area 2 Kindersley	Any, excluding above exceptions	$22,200.00
Area 3 Swift Current	Any, excluding above exceptions	$13,600.00
Area 4 Estevan	Any, excluding above exceptions	$22,200.00

Appendix 4: Facility Well Equivalent Table

Facility Licence Type	Design Throughput Capacity	Well Equivalent (WE)
Cleaning Plant/Skim Oil	Any	5
Custom Treating Plant	Any	5
EOR Injection Facility	Any	4
Gas Compression Facility	Any	5
Gas Processing Plant	0 - 900 10^3m^3/day	10
	900 - 5700 10^3m^3/day	**WE = [(vol - 900) x C] + 10** where: • C = 0.00625; and • vol = design throughput capacity per day of oil (m^3) + gas (10^3m^3) + water (m^3)
	>5700 10^3m^3/day	40
Injection/Production Satellite	Any	2
LPG Storage Facility	Any	5
Multi Well Gas Battery	Any	5
Multi Well Oil Battery	0 - 50 m^3/day	5
	50 - 6933.3 m^3/day	**WE= = [(vol - 50) x A] + 5** where: • A = 0.005084745; and • vol = design throughput capacity per day of oil (m^3) + gas (10^3m^3) + water (m^3)
	> 6933.3 m^3/day	40
Multi Well Swabbing Oil Battery	Any	1*
Oily Byproduct Storage	Any	5
Waste Plant/Reclaimer/Skim Oil	Any	5
Water Injection/Disposal Facility	Any	0
Water Source Facility	Any	2

*Note: Multi Well Swabbing Oil Batteries have a fixed abandonment cost of $5,100.

Appendix 5: ER Field Office Administrative Boundary Map



Appendix 6: Refund Policy