



Province of British Columbia

BC-10

MARKETABLE GAS AND BY-PRODUCT VOLUMES AND VALUES REPORT

Freedom of Information and Protection of Privacy Act - The personal information requested on this form is collected under the authority of the *Petroleum and Natural Gas Act*, RSBC1996 c. 361 s 74 (1) and will be used for purposes of administering the Petroleum and Natural Gas Royalty and Freehold Production Tax Regulation. If you have any questions about the collection and use of this information, please contact Mineral, Oil and Gas Revenue Branch at P.O. Box 9328 Stn. Prov. Gov't, Victoria, B.C. V8W 9N3 250 952-0192.

ROYALTY/TAX PAYOR	
Name	A1
Code	A2

Reporting Entity Number	Producing Month	
	Year	Month
A3	A4	A5
Amended Form		<input type="checkbox"/>

RAW GAS VOLUMES	
Delivered	B1 10 ³ m ³
Returned Gas	B2 10 ³ m ³
Field Sales	B3 10 ³ m ³

REPORTING ENTITY NAME

MARKETABLE GAS VOLUMES BY CLASS	Conservation Gas	Non-Conservation Gas		
		Base 15 / Freehold	Base 12	Base 9
Reporting Entity Total	C1 10 ³ m ³	C2 10 ³ m ³	C3 10 ³ m ³	C4 10 ³ m ³
From Low Productivity Wells		D1 10 ³ m ³	D2 10 ³ m ³	D3 10 ³ m ³
From Marginal Wells		10 ³ m ³	10 ³ m ³	10 ³ m ³
From Field Sales	E1 10 ³ m ³	E2 10 ³ m ³	E3 10 ³ m ³	E4 10 ³ m ³

BY- PRODUCT SALES	Volumes		Values	
Ethane	F1	m ³	\$	F2
Propane		m ³	\$	
Butane		m ³	\$	
LPG Mix		m ³	\$	
Plant Pentanes Plus		m ³	\$	
Field Condensate		m ³	\$	
Sulphur		↓ tonne	\$	↓

CONTACT NAME	A6
AREA CODE A7 TELEPHONE	DATE A8
-	

BC-10 NATURAL GAS AND BY-PRODUCTS VOLUMES & VALUES REPORT

PURPOSE

The BC-10 is used to report a Reporting Entity's monthly share of volumes of marketable gas available for sale and natural gas by-products sold, and sales values of natural gas by-products. The BC-10 report should be used for production from both Crown land and freehold land. The Ministry will use data provided in this report to calculate royalty or tax payable for a reporting entity for a producing month and generate a royalty or tax invoice.

The BC-10 is also used to report amendments to previously reported volumes and values. Royalty or tax payors are requested to place an "x" in the "Amended Form" box.

TIMING

The BC-10 must be delivered to the Mineral, Oil and Gas Revenue Branch not later than the last day of the second month following the producing month. If the last day is a Saturday, Sunday or statutory holiday, the report may be delivered on the next normal business day. It is not necessary for a royalty or tax payor to submit a BC-10 if there is no production of marketable gas volumes to report.

STANDARDS

The following standards are to be applied when completing this statement:

- Volumes must be reported to **one** decimal place.
- 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 the form being returned to the sender and may also result in the assessment of a late filing penalty.

GENERAL INFORMATION

- A1 Royalty/Tax Payor Name** Enter the full name of the royalty/tax payor responsible for paying royalty or tax for the reporting entity. A gas royalty or tax invoice will be issued to this payor.
- A2 Royalty/Tax Payor Code** Enter the 4-digit client code of the payor identified in A1.
- A3 Reporting Entity Number (Mandatory Field)** Enter the 5-digit code assigned to the Royalty/Tax payor for the reporting entity. See BC-11 Notice of Commencement or Suspension of Operations for an explanation of reporting entities.

GENERAL INFORMATION cont'd

- A4 Production Month: Year (Mandatory Field)** Insert the four digits of the year in which the production month occurs.
- A5 Production Month : Month (Mandatory Field)** Insert two digits to indicate the month for which the statement is made; e.g., January = 01, June = 06.
- A6 Contact Name** Insert the name of the person responsible for completion and submission of this BC-10.
- A7 Phone** Insert the phone number of the contact person named above.
- A8 Date** Enter the date the report was completed.

RAW GAS VOLUMES

- B1 Delivered (Mandatory Field)** Enter the Reporting Entity's share of raw gas delivered to the inlet of a gas processing plant.
- B2 Returned Gas** Enter the Reporting Entity's share of the following:
- (i) Raw gas measured at a sales meter, but subsequently removed from the gathering line for use in the field, and
 - (ii) The raw gas equivalent of residue gas delivered from a processing plant to the producer for use in the field.
- B3 Field Sales** Enter the Reporting Entity's share of raw gas sold for use in oil or gas production activities without being processed in a plant.

MARKETABLE GAS VOLUMES BY CLASS

The marketable volume of gas means the volume of gas delivered to a transportation system to markets or to a commercial storage facility or sold in the field. It is not the same as actual deliveries made by a producer under sales contracts. For producers delivering gas to the Westcoast Energy transportation system, the Marketable Volume of gas should be based on Westcoast's Plant Allocation Statement.

For Reporting Entities at facilities connected to wells that do not all produce the same class of gas, the total marketable gas volume may be prorated to each class in accordance with the ratios of raw gas produced from each well to total raw gas produced at the facility. If there are significant differences in the quality or disposition of natural gas from different wells at a facility which affect the marketable gas to raw gas ratios for different wells, marketable gas allocations may be based on raw gas analysis for individual wells.

MARKETABLE GAS VOLUMES BY CLASS cont'd

Reporting Entity Totals

The Reporting Entity totals of marketable gas for each class must include field sales of that class of gas and marketable gas in that class that is produced from low productivity wells.

- C1 Conservation Gas** Enter the Reporting Entity's share of marketable Conservation gas. Conservation gas is marketable gas that is produced from an oil well where the gas is conserved, but does not include gas produced from an oil well granted concurrent production status under section 85 of the *Petroleum and Natural Gas Act*. This should include field sales of Conservation gas.
- C2 Non-Conservation Gas, Base 15 / Freehold** If the Reporting Entity is reporting production from well events on Crown land, enter the Reporting Entity's share of marketable Non-Conservation gas produced from such well events having a spud date before June 1, 1998. This should include field sales of gas from such wells. If the Reporting Entity is reporting production from freehold land, enter the Reporting Entity's share of freehold Non-Conservation gas, which should include field sales of such gas.
- C3 Non-Conservation Gas, Base 12** Enter the Reporting Entity's share of marketable Non-Conservation gas from Crown land and that is not Non-Conservation Base 15 or Base 9 gas. This should include field sales of Base 12 Non-Conservation gas. If the Reporting Entity is reporting marketable gas produced from freehold land, do not use this field.
- C4 Non-Conservation Gas, Base 9** Enter the Reporting Entity's share of marketable Non-Conservation gas produced from well events that are on Crown land and,
- (a) for which the entire spacing area is:
 - (i) in a lease that was disposed of under Section 71 of the Act after May 31, 1998 and before January 1, 2004, or
 - (ii) in a lease that was issued from a permit or license that was disposed of under Section 71 of the Act after May 31, 1998 and before January 1, 2004 and
 - (b) which have a completion date not more than 60 months after the disposition date of the lease in paragraph (a)(i) or the disposition date of the permit or license in paragraph (a)(ii), as the case may be.

This should include field sales of gas from such wells. If the Reporting Entity is reporting marketable gas produced from freehold land, do not use this field.

MARKETABLE GAS VOLUMES BY CLASS cont'd

From Low Productivity Wells

A royalty rate reduction will be applied to royalties on Non-conservation gas produced from low productivity wells in the Reporting Entity. Low productivity wells are gas wells with average daily raw gas production less than 5000 m³ during the month. Average daily raw gas production for a well during a month is equal to natural gas production from the well during the month as reported on the BC-S1 report multiplied by 24 and divided by the hours of production for the well during the month.

P = natural gas production from the well in the month divided by the sum of the natural gas production volumes for all low productivity wells of the same class within the Reporting Entity, and

For each low productivity well, a royalty rate reduction factor will be calculated as follows:

$$P \times (5000 - ADP) / 5000$$

where,

ADP = the average daily natural gas production from the well during the month.

The low productivity royalty rate reduction is the base royalty rate for the Reporting Entity and class of gas times the weighted average of low productivity rate reduction factors for all of the low productivity well in the class in the reporting entity.

Volumes of marketable gas from low productivity wells must be included in Total Marketable Gas Volumes for the Reporting Entity. The low productivity royalty rate reduction does not apply to Conservation gas.

D1 Non-Conservation Gas, Base 15 / Freehold If the Reporting Entity is reporting production from well events on Crown land, enter the Reporting Entity's share of marketable gas produced from such well events having a spud date before June 1, 1998 and average daily natural gas production less than 5000 m³ during the month. This should include field sales of raw gas from such wells.

If the Reporting Entity is reporting production from gas well events on freehold land, enter the Reporting Entity's share of marketable gas from such wells with average daily natural gas production less than 5000 m³ during the month.

D2 Non-Conservation Gas, Base 12 Enter the Reporting Entity's share of Marketable Non-Conservation gas that is produced from low productivity gas well events on Crown land and that is not in accordance with the specifications for Non-Conservation Base 15 or Base 9 gas. This should include field sales of raw gas from such wells.

D3 Non-Conservation Gas, Base 9 Enter the Reporting Entity's share of Marketable Non-Conservation gas that is produced from low productivity gas well events on Crown land and that meets the criteria for the Base 9 category (see C4). This should include field sales of raw gas from such wells.

MARKETABLE GAS VOLUMES cont'd

Field Sales

Field Sales of gas are sales of raw gas that occur in the field prior to processing at a natural gas processing plant. The royalty share of Field Sales volumes will be valued at the Reference Price for the Reporting Entity. Field Sales volumes should be included in the Reporting Entity Total Marketable Gas Volumes for each royalty category.

- E1 Conservation Gas** For Reporting Entities reporting marketable gas produced from Crown or freehold land, enter the Reporting Entity's share of Field Sales volumes of Conservation gas.
- E2 Non-Conservation Gas, Base 15 / Freehold** If the Reporting Entity is reporting marketable gas produced from well events on Crown land, enter the Reporting Entity's share of Field Sales volumes of Non-Conservation gas produced from such well events having a spud date before June 1, 1998. If the Reporting Entity is reporting marketable gas produced from well events on freehold land, enter the Reporting Entity's share of Field Sales volumes of gas from such well events.
- E3 Non-Conservation Gas, Base 12** If the Reporting Entity is reporting marketable gas produced from well events on Crown land, enter the Reporting Entity's share of Field Sales volumes of Base 12 Non-Conservation gas. If the Reporting Entity is reporting marketable gas produced from well events on freehold land, do not use this field.
- E4 Non-Conservation Gas, Base 9** If the Reporting Entity is reporting marketable gas produced from well events on Crown land, enter the Reporting Entity's share of Field Sales volumes of Base 9 Non-Conservation gas. If the Reporting Entity is reporting marketable gas produced from well events on freehold land, do not use this field.

BY-PRODUCT SALES

Natural gas by-product royalties are based on volumes sold during a month and the actual sales value.

- F1 Volumes** Enter the Reporting Entity's share of the volumes of each of by-product that was actually sold in the month. For volumes of ethane, propane, butane and LPG mix, enter whatever the product was at the point of sale. For sulphur sales to CanWest, enter the volume of sulphur produced as per the Westcoast Energy Plant Allocation Statement.
- F2 Values** Enter the actual consideration received or receivable less costs incurred by the producer for processing and/or transportation from the point of production to the point of sale. Eligible costs include fractionation costs and CanWest processing charges. If transportation or processing costs were used in establishing the consideration received or receivable, they are not again deductible.

Sales values must not be less than zero.

For sulphur sold to CanWest, enter the actual value of the sulphur adjustment paid by CanWest as reported on the CanWest Producer Statement. If the sulphur adjustment is a negative amount, enter a value of zero.

ELECTRONIC SUBMISSION

Producers are encouraged to submit BC-10 reports electronically. BC-10 forms may be submitted as ASCII files on diskettes or attached to email, or [online](#) via the Internet.

For ASCII file submissions by email, the subject line of the email should state the type of file being submitted, i.e. BC10, the royalty payor's name, and the most current production period being reported either spelled or in YYYYMM numeric format (e.g. BC10 July 2002 XYZ Energy, or BC10 200207 XYZ Energy). Diskettes should be labeled in the same way.

File names for BC-10 ASCII files must consist of the 4 digit client ID code followed by the production period in YYYYMM with the extension .10. For example, a BC-10 from the company with client ID 9999 for production in Feb 2002 must have file name 9999200202.10.

BC-10 ASCII files must be in the format shown below. All fields must be right justified and zero filled, except for the 5 single space filler fields that must be blank. Alphanumeric data must be in upper case. The record length is 252 bytes.

Field No	Field Name	Start	Length	Format	Comments	Example	Original
1	Royalty Payor Code	1	4	X(4)		0648	648
2	Amended Form Flag	5	1	X(1)	Y or N	N	N
3	REN	6	5	X(5)		00120	120
4	Production Period	11	6	X(6)	YYYYMM	200010	2000/10
RAW GAS VOLUMES:							
	Filler	17	1	X(1)	Blank		
5	Raw Gas Delivered	18	8	9(7)v9		00008065	806.5
6	Returned Gas	26	8	9(7)v9		00000000	0.0
7	Field Sales	34	8	9(7)v9		00000999	99.9
TOTAL RESIDUE GAS SALES:							
	Filler	42	1	X(1)	Blank		
8	Consrv. Gas Volume	43	8	9(7)v9		00011111	1111.1
9	Base 15 Gas Volume	51	8	9(7)v9		00002222	222.2
10	Base 12 Gas Volume	59	8	9(7)v9		00000333	33.3
11	Base 9 Gas Volume	67	8	9(7)v9		00000044	4.4
LOW PRODUCTIVITY RESIDUE GAS SALES:							
	Filler	75	1	X(1)	Blank		
	Base 15 Gas Volume	76	8	9(7)v9		00001100	110.0
	Base 12 Gas Volume	84	8	9(7)v9		00000000	0.0
	Base 9 Gas Volume	92	8	9(7)v9		00000234	23.4
RAW GAS FIELD SALES:							
	Filler	100	1	X(1)	Blank		
15	Consrv. Gas Volume	101	8	9(7)v9		00002355	235.5
16	Base 15 Gas Volume	109	8	9(7)v9		00000000	0.0
17	Base 12 Gas Volume	117	8	9(7)v9		00000000	0.0
18	Base 9 Gas Volume	125	8	9(7)v9		00000111	11.1

