

MONTHLY OIL AND GAS PRODUCTION REPORT AND CROWN ROYALTY STATEMENT



123 Main Street
Anywhere City, Anywhere Province Q1X 9Z0
(Address)

ABC Oil Unit #3
(Battery or Unit - Name and Location)

Month of **March** 20 **01**

Battery or Unit Production **158.2** m³

CROWN ROYALTY CALCULATION												
Monthly Oil Production (m ³)	Crown Royalty Volume (m ³)*	MOP is the monthly volume of oil in cubic metres produced from a spacing unit, calculated to the nearest 0.1 of a cubic metre.										
50 or less	K ((MOP ²)/265)	K is equal to one of the following factors:										
over 50	K (9.43 + 0.45 (MOP - 50))											
<p><i>* Crown royalty volume is calculated to the nearest 0.01 of a cubic metre. A result of 0.005 of a cubic metre or more is rounded up.</i></p>												
<p>GAS: Crown royalty on gas is 12.5% of the volume sold, calculated for each producing month to the nearest 0.001 of a cubic metre.</p>												
		<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Classification of Oil</th> <th style="text-align: left;">Multiplying Factor (K)</th> </tr> </thead> <tbody> <tr> <td>Old Oil</td> <td style="text-align: right;">1.00</td> </tr> <tr> <td>New Oil</td> <td style="text-align: right;">0.55</td> </tr> <tr> <td>Third Tier Oil</td> <td style="text-align: right;">0.47</td> </tr> <tr> <td>Holiday Oil</td> <td style="text-align: right;">0.00</td> </tr> </tbody> </table>	Classification of Oil	Multiplying Factor (K)	Old Oil	1.00	New Oil	0.55	Third Tier Oil	0.47	Holiday Oil	0.00
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UNIT SAMPLE

Well Name and Location	24-Hour Test Production					Days on Prod.	Monthly Oil Production m ³ (actual)	Gas Prod. 10 m ³	Water Prod. m ³ *	Tract Participation Factor %	Monthly Oil Production m ³ (allocated)	Multiplying Factor K	Crown Royalty Volume m ³	Crown Interest %	Working Interest Factor %	Wellhead Price \$/ m ³	Crown Royalty Payable \$
	Date		Oil m ³	Gas 10 m ³	Water M ³												
	Day	Month															
											4	4	4	4	4	4	
ABC Unit #3																	
04-08-10-19 WPM	02	01	1.5	-	18.3	31	41.6	-	570.4	16.889	26.7	0.55	1.48	100	100	230.00	340.40
05-08-10-19 WPM	03	01	3.7	-	14.4	31	112.8	-	443.2	53.111	84.0	0.55	13.60	100	100	230.00	3,128.00
12-08-10-19 WPM	Not producing					-	-	-	-	3.526	5.6	0.55	0.07	100	100	230.00	16.10
13-08-10-19 WPM	04	01	0.1	-	31.3	31	3.8	-	969.3	26.474	41.9	0.55	3.64	100	100	230.00	837.20
1	2	2	2	2	2							8	5	7	6	9	
3	PRORATION FACTORS		Oil			TOTAL	158.2	-	1982.9	100.00	158.2						
			Gas				3										
			Water														
															TOTAL CROWN ROYALTY	4,321.70 10	

Include bottom sediment produced by the well.

Cheque or money order must accompany this statement made payable to "The Minister of Finance - Manitoba".

PRODUCTION REPORTING AND INSTRUCTIONS ON REVERSE SIDE.

.....ABC OIL INC.....

.....ABC OIL UNIT NO. 3.....
Battery or Unit (Name and Location)

Month of 20

2. OIL DISPOSITION – (m³): NEW WELLS ONLY: **11**
RECEIVING OR RECOVERING
COMPLETION (LOAD) OIL

Opening Inventory
Receipts
(Location)
Recovered
Closing Inventory

OPENING INVENTORY 30.0
Clean Oil Prod. 158.2
Purchased or Received from:
..... **12** 08-02-10-19 WPM 15.0
TOTAL 203.2

Oil Sold 170.2
Transferred to: ...10-02-10-19 WPM 11.5
..... **12**
CLOSING INVENTORY 21.5
TOTAL 203.2

3. PARTICULARS OF OIL SALES: **13**

Purchaser	Volume Sold m ³	Selling Price \$/m ³	Value of Sales \$	Total Transportation Charges \$	Net Value of Sales \$	Average Wellhead Price \$/m ³
MORE OIL	170.2	237.78	40,471.00	1,325.00	39,146.00	230.00
Total	170.2	Totals	40,471.00	1,325.00	39,146.00	230.00

4. GAS DISPOSITION AND CROWN ROYALTY STATEMENT:

Manitoba Science, Technology, Energy and Mines should be contacted regarding reporting requirements for all gas sales.

5. WATER DISPOSITION (includes bottom sediment) (m³)

OPENING INVENTORY 10.0
Water and Bottom Sediment Production 182.9
Other Received (Specify)
.....
TOTAL 192.9

To Disposal Systems 182.9
(Location)
Pipeline Sediment and Water.....
Other Disposition
CLOSING INVENTORY 10.0
TOTAL 192.9

6. CERTIFICATE OR AFFIDAVIT:

I,**John Doe**..... of**Anywhere City**..... in the Province of**Anywhere**... do hereby certify; that I am the lessee (or duly authorized agent of the lessee) of the petroleum and natural gas lease(s) on which the well(s) are located; that I am thoroughly conversant with all the details of all oil and gas production operations from the well(s) described in the return herein and have a personal knowledge of same; that the return herein accurately sets forth and accounts for all the quantity of oil, gas and other products produced during the above stated period; that the return herein accurately sets forth the amount of Crown royalty due and payable to the Crown for the period above herein stated.

DATED THIS ...**1st**... day of ...**April**... 20...**01**.. at the City of ... **Anywhere City** ... in the Province of... **Anywhere** ...

Signed**XXXXXXXXXXXXXXXX**...
Telephone No.:**(123)456-7890**.....
Fax No.:**(123)456-7895**.....
Email: **jdoe@abcoil.com**

NOTES AND INSTRUCTIONS:

- Completed report and statement required pursuant to REGULATIONS under THE OIL AND GAS ACT.
- All applicable sections of this REPORT AND STATEMENT must be completed and received by the Branch, along with all Crown Royalties payable, not later than the last day of the month following the month which is being reported.
- NIL reports and statements must be filed, where there is no production.
- Oil production must be reported to the nearest 0.1 of a cubic metre measured at 15°C.
- Gas production must be reported to the nearest 0.01 of a cubic metre.
- Crown Royalty shall be calculated and paid on monthly production.
- Crown Royalty in cubic metres shall be calculated to the 0.001 of a cubic metre and rounded off to the nearest 0.01 of a cubic metre (0.005 rounded up).

**MONTHLY OIL AND GAS PRODUCTION REPORT
AND
CROWN ROYALTY STATEMENT**

INSTRUCTIONS

1. List the full name and location of all wells flowlined into the battery - lease tank wells are to be treated as separate batteries and reported separately.

2. The most recent well test data is to be included every month. Results are to be used to prorate production.

3. Monthly oil production is to be calculated as follows (to the nearest 0.1):

$$\text{Test Production (well)} = [24 \text{ hr. test result}] \times [\text{number of days on production}]$$

$$\text{Test Production (battery)} = \text{sum of all well's test production}$$

$$\text{Proration Factor} = \frac{\text{actual production (battery)}}{\text{test production (battery)}}$$

$$\text{Reported Production (well)} = [\text{proration factor}] \times [\text{test production (well)}]$$

4. If well is producing from freehold owned oil and gas rights, do not complete #5 to #10.

5. Multiplying factor (K) is equal one of the following factors:

Old Oil	1.00
New Oil	0.55
Third Tier Oil	0.47
Holiday Oil	0.00

6. All Crown royalty volumes to be calculated to the nearest 0.01 percent. A result that is 0.005 of a percent is rounded up. Please refer to the front side of the "Monthly Oil and Gas Production Report and Crown Royalty Statement" form for Crown royalty calculations.

7. Crown interest percent. Portion of oil and gas rights in the spacing unit that are Crown owned.

8. Working interest percent. If other working interest owners are submitting individual Crown royalty statements, show percent working interest participation of the party reporting.

9. Average monthly wellhead price is calculated as follows (to the nearest 0.01):

$$\text{Average Monthly Wellhead Price} = \frac{\text{Net Value of Sales (\$)}}{\text{Volume Sold (m}^3\text{)}}$$

10. Total Crown royalty payment amount due for the reporting month.

11. New well inventory should be reported if well has received or recovered load oil.

12. Any oil transferred to or from a battery is to be shown in the inventory. Sales to other producers for workovers or completions are considered as transfers.

13. Volume of oil sold must be reported and should include transportation charges, if oil is trucked to a facility.