

Waterflood Development Program Application Form

Petroleum Royalties Group
11th Floor, 1945 Hamilton Street
Regina, SK S4P 2C8
Phone: (306) 787-2517 | Fax: (306) 787-2198

Part I - Injection Well - General Information

Licensee Name _____ Licence Number _____

Licensee IRIS BA Code _____

UWI

LX	LSD	SEC	TWP	RGE		M
			0		W	

Part II - Repayable Royalty Credit Information

Requested Repayable Royalty Credit Amount \$.00
(Maximum \$1,000,000 for dedicated horizontal injection wells or \$500,000 for all other injection wells)

Repayable Royalty Credit Assignee Name (Optional) _____

Repayable Royalty Credit Assignee IRIS BA Code (Optional) _____

Part III - Disclosure Questions

- | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| 1) Has the subject injection well received approval under an existing Waterflood Project?
Waterflood Authorization # _____ | Yes | No |
| 2) Did the subject injection well commence injection on or after January 1, 2019? | Yes | No |
| 3) Does the Licensee have an Licensee Liability Rating (LLR) of at least 2.0? | Yes | No |
| 4) Does the Licensee or Assignee have outstanding debts to the Ministry of Energy and Resources? | Yes | No |
| 5) Is 30% of the Licensee's average monthly value of production in Saskatchewan greater than the sum of the requested repayable royalty credit amount and any other outstanding repayable royalty credits? Ex: Production Value * 0.30 > Repayable Royalty Credit Amount | Yes | No |

Part IV - Optional Attachments

1) Additional Supporting Information (Optional)

Part V - Contact Information

By signing below, I hereby certify that the application form and the attached supporting documentation is complete and accurate. If the application is found to be incomplete or inaccurate, I acknowledge that the Ministry of the Energy and Resources will discard the application after notifying me of the deficiencies and that I will be required to submit a new application.

Contact Name _____

Email Address _____

Phone Number _____

Signature of applicant

Waterflood Development Program Application Form Instructions

The following instructions are provided as an aid to those intending to apply for the Waterflood Development Program. Please be advised that these are solely intended as a general reference guide to complete the application form and are to be used in conjunction with the existing legislation.

Part I - Injection Well - General Information	
Licence Number	The Licence number of the injection well being applied for under the WDP.
Licensee Name	The name of the Licensee of the injection well.
Licensee IRIS BA Code	The 5-digit IRIS BA Code of the Licensee.
UWI	The UWI location of the well (example 191/01-01-001-01 W2M)
Part II - Repayable Royalty Credit Information	
Requested Repayable Royalty Credit Amount	The repayable royalty credit amount being requested. An applicant is eligible for a <u>maximum</u> of \$500,000 for a vertical injection well, \$500,000 for a horizontal well converted to an injection well, and \$1,000,000 for a horizontal well drilled for the purpose of injecting water as part of a waterflood project.
Repayable Royalty Credit Assignee Name (Optional)	At the time of application, the licensee (applicant) can elect to assign <u>all</u> of the repayable royalty credits to another licensee or royalty payer. This allows a licensee, who may not have a monthly royalty/tax invoice, to assign the credits to an affiliated royalty payer.
Repayable Royalty Credit Assignee IRIS BA Code (Optional)	The 5-digit IRIS BA Code of the Assignee.
Part III - Disclosure Questions	
1) Has the subject injection well received approval under an existing Waterflood Project?	Waterflood approval under the Oil and Gas Conservation Act is required for the well to be eligible under the WDP. The authorization number associated with the waterflood approval is required as confirmation of Waterflood approval.
2) Did the subject injection well commence injection after January 1, 2019?	Eligible wells must have first injected water on or after January 1, 2019, and before April 1, 2024, and have never been an injection well before the well commences injection of water for the purpose of waterflooding.
3) Does the Licensee have an Licensee Liability Rating (LLR) of at least 2.0?	To be eligible for the program, the licensee and/or the repayable royalty credit assignee must have an LLR of 2.0 or higher.
4) Does the Licensee or Assignee have outstanding debts to the Ministry of Energy and Resources?	To be eligible for the program, the licensee and/or the repayable royalty credit assignee must not have any outstanding royalties and taxes, oil and gas well levy, orphan fund, crown land sales, or IRIS non-compliance debts that are past due to the Ministry of Energy and Resources.
5) Is 30% of the Licensee's average monthly value of production in Saskatchewan greater than the sum of the requested repayable royalty credit amount and any other outstanding repayable royalty credits? Ex: Production Value * 0.30 > Repayable	For the most recent 6 months of reported production, the average monthly value of production must be greater than the sum of the requested repayable royalty credit amount and any other outstanding repayable royalty credits. For example, if your monthly value of production is \$700,000 your company would be eligible for one well with a deferral amount of \$500,000. Your company would not be eligible for approval of an additional well under the WDP unless your original deferral is re-paid or your monthly value of production exceeds \$1,000,000.
Part IV - Optional Attachments	
Additional Information (Optional)	Additional information can be attached to justify or request an exception to the qualifying criteria (disclosure questions).
Part V - Contact Information	
Company Contact	The contact person must be able to answer technical questions regarding the application should the Ministry require clarification.
Telephone Number	The number the contact can be reached at should the Ministry require clarification when reviewing the application.
Email Address	The email address the contact can be reached at should the Ministry require clarification when reviewing the application.