

Industry Tip

Incorrect Fee on Public Offering (Land Sale) Bid Applications

Date	Module/Application/Functionality	Notes
December 6, 2016	Tenure Acquisition (Land Sale Submit Bid)	Initial Release

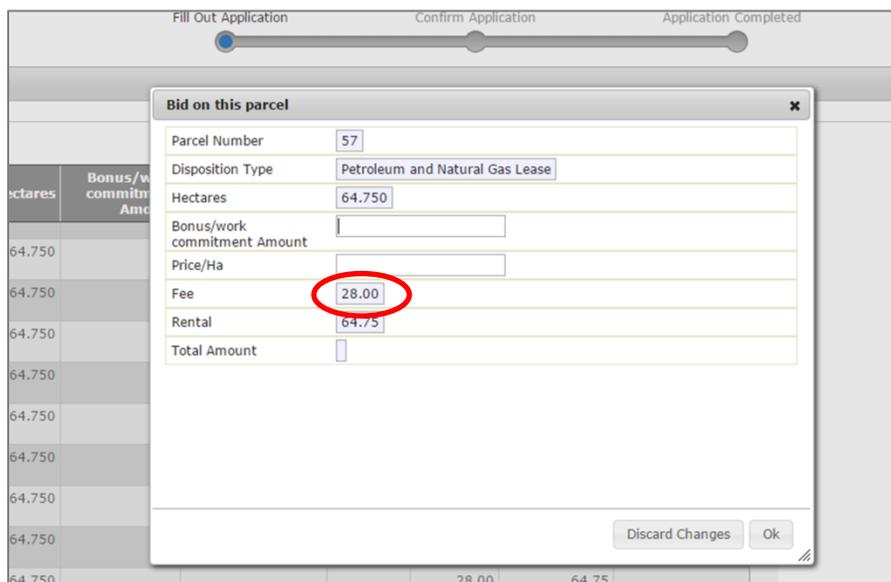
An issue has been identified that could impact successful bidders in December's land sale.

The fees in IRIS at the time of application to bid don't reflect the new fee model outlined in *The Oil and Gas Tenure Registry Regulations (OGTRR)*. However, when the dispositions are awarded, the new fees will be calculated and invoiced, which means successful bidders may unknowingly have insufficient funds in their Pre-Authorized Debit (PAD) account.

Issue

To ensure that December's land sale could proceed uninterrupted through IRIS, the Ministry of the Economy (ECON) scheduled the implementation of the new OGTRR fee model into IRIS on December 7, 2016 through Release 5.5.

At time of application (bid) for December's sale, the summary of charges provided in IRIS reflects the old model of \$28 fee per disposition.



The screenshot shows a 'Bid on this parcel' dialog box with the following fields:

- Parcel Number: 57
- Disposition Type: Petroleum and Natural Gas Lease
- Hectares: 64.750
- Bonus/work commitment Amount: [Empty]
- Price/Ha: [Empty]
- Fee: 28.00 (circled in red)
- Rental: 64.75
- Total Amount: [Empty]

The background shows a table with columns for Hectares and Bonus/work commitment Amount, with rows of 64.750.

Government of Saskatchewan
Ministry of the Economy
 Integrated Resource Information System

Tenure Applications Infrastructure Reports Support Quick Search

Fill Out Application Confirm Application Application Completed

Confirmation for Submission 66040

Please confirm for accuracy the following bid before submitting.

General Information

Submission Status
 Submitting BA ID
 Land Sale 374 - Sale Date 2016-12-06
 Debit Code * ABC00000
 GST Number
 Confidential Designated Rep *
 Contact Name Karey Test
 Email Address karey.test@test.ca
 Business Phone (306) 555-5555 Ext.
 Alternate Phone Ext.

Lessee Data

BA ID	Interest %
	100.00000

Bids

Parcel	Disposition Type	Hectares	Bonus/work commitment Amount	Expenditure Deposit Amount	Price/H	Fee	Rental	Total Amount
▶ 16	Petroleum and Natural Gas Lease	48.564	1,554.05		32.00	28.00	50.00	1,632.05
		48.564	\$1,554.05	\$0.00		\$28.00	\$50.00	\$1,632.05
Estimated Bid Total								\$1,632.05

Previous Confirm

The OGTRR's one-time \$600 application fee for new dispositions will be implemented into IRIS tomorrow, December 7. That means, when the dispositions are awarded on December 8, ECON's financial system will expect payment that includes the \$600 per disposition fee.

For example, if a Business Associate (BA) bids on 11 parcels of land, the summary in the 'Confirmation for Submission' on IRIS will state the fee is \$28 per parcel (for a total of \$308). However, when the dispositions are awarded on December 8, IRIS will calculate the fee at \$600 per successful disposition. If the BA is successful on all 11 parcels, they will be invoiced a fee of \$6,600, in addition to the bid amount. If the BA does not factor in the new fee when transferring money to their PAD account, the transaction may fail due to insufficient funds.

Industry Action

If your BA has submitted bids in December's land sale, be sure to factor in the new \$600 application fee per disposition, and include those funds as well as the successful bid amounts into your PAD account for payment.

Questions?

For more information, contact Petroleum Tenure Services at 1-844-787-8695 or petlands@gov.sk.ca