

Industry Tip

Extended Until January 31, 2017: Shadow-Billing Period for IRIS Non-Compliance Penalty Assessment Program

Date	Module/Application/Functionality	Notes
December 16, 2016	Well and Facility Infrastructure: Obligations and Reporting of Well, Wellbore, Well Completion Data	Initial Release

The Government of Saskatchewan is extending the shadow-billing period for the non-compliance penalty assessment program for unfulfilled well data submission obligations in IRIS until **January 31, 2017**. In addition:

- In an effort to provide more clarity, revisions have been made to the obligations list provided in the [September 26, 2016 IRIS Industry Tip](#). Please see Section 2.0 for more information.
- The Ministry of the Economy (ECON) has also revised its approach to waivers of obligations. Instead of applying for an invoice waiver of the non-compliance penalty, industry will apply for a waiver with respect to an obligation. If ECON approves the waiver, industry will receive a credit for any non-compliance penalties that were assessed and billed.
 - Applications are to be submitted through Petroleum and Natural Gas Services at png.support@gov.sk.ca and must include the rationale for requesting the obligation's waiver.

1.0 Important Dates

When	What
October 5, 2016	Non-compliance functionality implemented through IRIS Release 5.4. Non-compliance sweep report becomes available.
October 5, 2016-January 31, 2017	Shadow-billing period. Penalties for past-due well data submission obligations will be assessed and billed, but industry will not have to pay the invoice.
October 5, 2016	First shadow-bill available in IRIS
November 1, 2016	Second shadow-bill available in IRIS
December 14, 2016	Third shadow-bill available in IRIS
January 1, 2017	Fourth shadow-bill available in IRIS
January 31, 2017	End of shadow-billing period
First week of February	First payable non-compliance invoice available in IRIS. (Any past-due obligations that remain unfulfilled in IRIS at the end of January 2017 will be assessed penalties from the obligation due date.)

2.0 Non-Compliance Penalties for IRIS Well Data Submission Obligations

The following chart outlines the IRIS well data submission obligations that have non-compliance penalties. Items highlighted in yellow indicate changes from the table provided with the [September 26, 2016 IRIS Industry Tip](#).

Note:

- WD=Well Drilling
- WB=Wellbore
- WC=Well Completion
- W=Well
- WL=Well Licence
- WIA=Well Infrastructure Abandonment
- FDD=Finished Drilling Date
- DAED=Drilling Activity End Date
- DED=Drilling End Date
- SDD=Start Drilling Date

Obligation Code	Short Description	Long Description	Due Date	Non-compliance fee	Assessment
WD100	Submit Drill Waste Disposal form	Attach A-1 Notification of Drilling Waste Disposal.	Finish Drilling Date plus 90 days	\$100.00	Daily
WD101	Submit Tour Report	Attach Tour Report.	Drilling End Date plus 30 days	\$100.00	Daily
WD102	Report core data	Notify Ministry the number of core taken and number of boxes within 30 days of FDD.	Finish Drilling Date plus 30 days	\$100.00	Daily
WB103	Submit core analysis	Core analysis must be submitted to Ministry within 30 days of the analysis.	Test Date plus 30 days	\$100.00	Daily

Obligation Code	Short Description	Long Description	Due Date	Non-compliance fee	Assessment
WD104	Submit core to Lab	Core must be submitted to the Ministry within 30 days of DED.	Drilling End Date plus 30 days	\$100.00	Daily
WD105	Submit DST	Drill Stem test results must be submitted within 30 days of test.	Test Date plus 30 days	\$100.00	Daily
WD106	Submit drill cuttings	Drill cuttings must be submitted within 30 days of DED.	Drilling End Date plus 30 days	\$100.00	Daily
WC107	Submit pressure test	Assigned when the obligation is created.	Initial Completion Date plus 30 days	\$100.00	Daily
W108-1	Report surface casing	Surface casing required on all but shallow water wells.	Finish Drilling Date plus 30 days	\$100.00	Daily
*WIA109	Submit Cut and Cap Report	Submit Cut and Cap Report.	Abandonment Date plus 30 days	\$100.00	Daily
WIA109-1	Submit Downhole Abandon Report	Submit Downhole Abandon Report.	Abandonment Date plus 30 days	\$100.00	Daily
*WIA109-2	Submit Gas Migration/Surface Casing Report	Submit Gas Migration/Surface Casing Report.	Abandonment Date plus 30 days	\$100.00	Daily
WIA109-3	Submit Wellbore Abandonment Report	Submit Wellbore Abandonment Report.	Abandonment Date plus 30 days	\$100.00	Daily
WIA109-4	Submit Completion Abandonment Report	Submit Completion Abandonment Report.	Abandonment Date plus 30 days	\$100.00	Daily
WC111	Report contact intervals	Every completion requires contact intervals to be entered on every wellbore that is part of that completion.	Initial Completion Date plus 30 days	\$100.00	Daily
WB112	Report casing	Every boss wellbore requires casing to be reported.	Finish Drilling Date plus 30 days	\$100.00	Daily

Obligation Code	Short Description	Long Description	Due Date	Non-compliance fee	Assessment
WD113	Report rig release within 7 days of actual release	Once a drilling activity start date is reported, the remaining drilling information must be submitted within 7 days of the drilling actual activity of rig release date.	Rig Release Date plus 7 days	\$100.00	Daily
WB130	Manual Wellbore Obligation	Manual Wellbore Obligation.	Assigned when the obligation is created	\$100.00	Daily
WC131	Manual Wellbore Completion Obligation	Manual Wellbore Completion Obligation.	Assigned when the obligation is created	\$100.00	Daily
W132	Manual Well Obligation	Manual Well Obligation.	Assigned when the obligation is created	\$100.00	Daily
WL133	Manual Well Licence Obligation	Manual Well Licence Obligation.	Assigned when the obligation is created	\$100.00	Daily
WD134	Manual Well Drilling Activity Obligation	Manual Well Drilling Activity Obligation.	Assigned when the obligation is created	\$100.00	Daily
WC019	Submit Maximum Wellhead Injection Pressure Report	This well is subject to a maximum wellhead pressure to be determined in accordance with the Disposal and Injection Well Requirements Directive. Submit MWHIP Report.	Initial Completion Date plus 30 days	\$100.00	Daily
WD020-1	Submit Geological Report	Attach a Geological Report for every horizontal drilling activity.	Drilling End Date plus 30 days	\$100.00	Daily
W021	Submit as-drilled survey	As-drilled survey plan for each horizontal, slant or directionally drilled well must be submitted to the Ministry within 30 days of the finished drilling date.	Finish Drilling Date plus 30 days	\$100.00	Daily

Obligation Code	Short Description	Long Description	Due Date	Non-compliance fee	Assessment
W021-1 (Will become obsolete in a future release of IRIS)	Submit revised as-drilled survey	A revised as drilled survey plan is required when additional drilling occurs (adding or extending a leg); the as drilled survey must show all drilled legs and sidetracks.	Drilling End Date plus 30 days	\$100.00	Daily
WD021-2	Submit revised as-drilled survey	A revised as drilled survey plan is required when additional drilling occurs (adding or extending a leg); the as drilled survey must show all drilled legs and sidetracks.	Drilling Activity End Date plus 30 days	\$100.00	Daily
WB022	Submit directional survey	A directional survey for each directionally drilled, slant and horizontal leg and sidetrack drilled must be submitted to the Ministry within 30 days of the finished drilling date.	Finish Drilling Date plus 30 days	\$100.00	Daily
WB022-1	Submit revised directional survey	Original directional survey is rejected a revised directional survey will be required. (Each horizontal leg and sidetrack and each directionally drilled or slant well must submit a directional survey).	Drilling Activity End Date plus 30 days	\$100.00	Daily
W023	Abandon within 30 days of FDD	Well must be abandoned after repair is complete.	Finish Drilling Date plus 30 days	\$100.00	Daily

Obligation Code	Short Description	Long Description	Due Date	Non-compliance fee	Assessment
WB023-3	Submit build lithological log	Submit lithological logs build (must be entered separately and intervals must be entered separately).	Drilling Activity End Date plus 30 days	\$100.00	Daily
WB023-4	Submit lateral lithological log	Submit lithological logs lateral (must be entered separately and intervals must be entered separately).	Drilling Activity End Date plus 30 days	\$100.00	Daily
**WB024-2	Submit cased neutron porosity log MD	Submit Neutron Log - Measured Depth in .tif format.	Initial Completion plus 30 days	\$100.00	Daily
**WB024-3	Submit cased neutron porosity log TVD	Submit Neutron Log - True Vertical Depth in .tif format.	Initial Completion plus 30 days	\$100.00	Daily
**WB024-4	Submit cased neutron log MD & TVD LAS file	Submit Neutron Log - in .las format.	Initial Completion plus 30 days	\$100.00	Daily
***WB025-2	Submit open hole induction log MD	Submit open hole Induction Log - Measured Depth in .tif format.	Drilling Activity End Date plus 30 days	\$100.00	Daily
***WB025-3	Submit open hole induction log TVD	Submit open hole Induction Log - True Vertical Depth in .tif format.	Drilling Activity End Date plus 30 days	\$100.00	Daily
***WB025-4	Submit open hole sonic or neutron log MD	Submit Neutron Log - Measured Depth in .tif format.	Drilling Activity End Date plus 30 days	\$100.00	Daily
***WB025-6	Submit open hole sonic or neutron log TVD	Submit Neutron Log - True Vertical Depth in .tif format.	Drilling Activity End Date plus 30 days	\$100.00	Daily

Obligation Code	Short Description	Long Description	Due Date	Non-compliance fee	Assessment
***WB025-7	Submit induction, sonic and/or neutron LAS file	Submit Induction, Sonic and/or Neutron Log - in .las format.	Drilling Activity End Date plus 30 days	\$100.00	Daily
WB025-8 (Will become obsolete in a future release of IRIS)	Submit cased hole induction log MD	Currently 'Submit Induction Log - Measured Depth in .tif format'.	Currently 'Drilling Activity End Date plus 30 days' but will become obsolete with a future release of IRIS	\$100.00	Daily
WB025-9 (Will become obsolete in a future release of IRIS)	Submit cased hole induction log TVD	Currently 'Submit Induction Log - True Vertical Depth in .tif format'.	Currently 'Drilling Activity End Date plus 30 days' but will become obsolete with a future release of IRIS	\$100.00	Daily
WB027	Submit cement bond log	A cement bond log is to be run and submitted.	Currently 'Finish Drilling Date plus 30 days' but changing to 'Completion plus 30 days' with a future release of IRIS	\$100.00	Daily
WB027-1	Submit cement bond log interpretation	A cement bond log is to be run. The log and interpretation is to be submitted.	Currently 'Finish Drilling Date plus 30 days' but changing to 'Completion plus 30 days' with a future release of IRIS	\$100.00	Daily
WC028	Submit gas test	A 4 point isochronal or modified isochronal test is required for a new gas completions.	Initial Completion Date plus 30 days	\$100.00	Daily
WC029-1	Submit fluid analysis	An oil fluid analysis is required for oil or condensate completions within an undefined pool.	First Production Date plus 30 days	\$100.00	Daily
WB030	Report depth and coordinate data	Update depths and coordinates.	Drilling End Date plus 30 days	\$100.00	Daily

Obligation Code	Short Description	Long Description	Due Date	Non-compliance fee	Assessment
WB031	Report geological markers	Submit geological markers.	Finish Drilling Date plus 30 days	\$100.00	Daily
WC032	Submit Completion Report	Attach Completion Report.	Initial Completion Date plus 30 days	\$100.00	Daily
W033	Submit Fracture Report	If the completion has been fractured a frac report must be submitted.	Fracture Treatment Date plus 30 days	\$100.00	Daily
WD008	Report start of drilling within 1 day	Licensee must notify the Ministry within 1 day after commencing any drilling activity on the well.	Start Drilling Date plus 1 day	\$100.00	Daily

** Obligations WIA109 and WIA109-2 will become obsolete in a future release of IRIS and replaced with a new obligation that will require industry to submit the cut and cap report and the gas migration/surface casing report within seven (7) days of the abandonment date.*

*** These obligations were formerly grouped under Obligation WB024: 'Submit Cased Hole Induction Log: Cased hole logs are required as per Ministry's Guidelines' and Obligation WB024-1: 'Submit cased neutron porosity log: A cased neutron porosity log is required.' The requirements have not changed, however for added clarity, ECON has separated them into three specific obligations.*


**** These obligations were formerly grouped under Obligation WB025: 'Submit Open Hole Sonic or Neutron Log: Open hole logs are required as per Ministry's Guidelines' and Obligation WB025-1: 'Submit open hole induction log: Open hole logs are required as per Ministry's Guidelines'. The requirements have not changed, however for added clarity, ECON has separated them into five specific obligations.*

3.0 Non-compliance Invoicing

February 2017's invoice is actual and payable, and will be issued during the first week of February. Penalties for any past-due obligations that exist in IRIS as of the end of January 2017 will be invoiced in February 2017. It's important to note that penalties are applied to any past-due unfulfilled obligation for the period from the obligation's due date to the end of January 2017.

Sample shadow-bill summary invoice

This invoice shows an obligation that was due on December 18, 2015. The obligation was met on April 6, 2016, for a total of 110 days past due (110 days x \$100= \$11,100). The detail invoice shows how many days per month the obligation was past due.



Government
of
Saskatchewan


Ministry of the Economy
1000, 2103-11th Avenue
Regina, Canada S4P 3Z8

Invoice No: **S103915**
Date: **2016-09-08**
GST No: **R107864258**

DO NOT PAY THIS INVOICE

Non-Compliance Invoice							Total Payable : \$ 11,000.00	
Item Number	Non-Compliance Type	Non-Compliance Identifier	Identifier Type	Identifier	Obligation Code	Obligation Message	Days Non-Compliant	Net Penalty Assessed (\$)
1	Obligation	3180	Well Drilling Activity	SK0122964	WD020-1	Attach a geological report for every horizontal drilling activity	110	11,000.00

Sample shadow-bill detail invoice



Government
of
Saskatchewan

Ministry of the Economy
1000, 2103-11th Avenue
Regina, Canada S4P 3Z8

Business Associate ID:
Business Associate Name:
Invoice Number: S103915

Report: IRIS Non-Compliance Invoice Detail
Date: 2016-09-08
Invoice Inquiries: ir.support@gov.sk.ca or 1-844-213-1030

DO NOT PAY THIS INVOICE

Item Number	Non-Compliance Type	Non-Compliance Identifier	Identifier Type	Identifier	Obligation Code	Obligation Message	Due Date	Fulfillment Date	Calculation From Date	Calculation To Date	Days Non-Compliant	Penalty Amount (\$)	Current Calculation (\$)	Previous Calculation (\$)	Net Penalty Assessed (\$)
1	Obligation	3180	Well Drilling Activity	SK0122964	WD020-1	Attach a geological report for every horizontal drilling activity	2015-12-18	2016-04-06	2015-12-19	2015-12-31	13	100.00	1,300.00		1,300.00
1	Obligation	3180	Well Drilling Activity	SK0122964	WD020-1	Attach a geological report for every horizontal drilling activity	2015-12-18	2016-04-06	2016-01-01	2016-01-31	31	100.00	3,100.00		3,100.00
1	Obligation	3180	Well Drilling Activity	SK0122964	WD020-1	Attach a geological report for every horizontal drilling activity	2015-12-18	2016-04-06	2016-02-01	2016-02-29	29	100.00	2,900.00		2,900.00
1	Obligation	3180	Well Drilling Activity	SK0122964	WD020-1	Attach a geological report for every horizontal drilling activity	2015-12-18	2016-04-06	2016-03-01	2016-03-31	31	100.00	3,100.00		3,100.00
1	Obligation	3180	Well Drilling Activity	SK0122964	WD020-1	Attach a geological report for every horizontal drilling activity	2015-12-18	2016-04-06	2016-04-01	2016-04-06	6	100.00	600.00		600.00

4.0 Tools Available to Manage Obligations and Avoid Non-Compliance Penalties

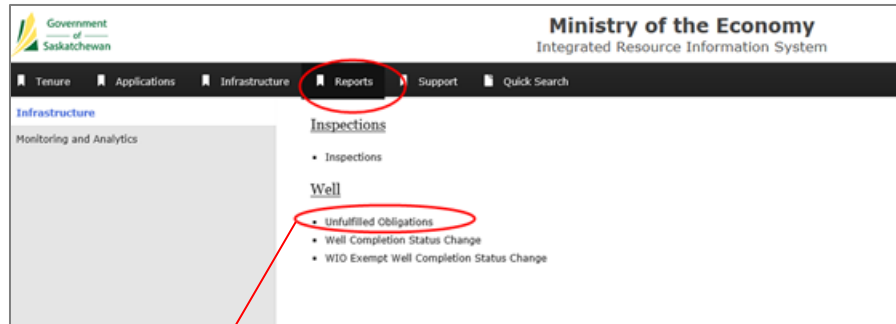
The following tools are available in IRIS to assist industry in managing their obligations in an effort to avoid non-compliance penalties:

- **Obligations search functionality in IRIS:** Industry users with the appropriate permissions can search their organization's 'To Honour', 'Waived', 'Proposed', 'Fulfilled' and 'Overdue' obligations using the advanced search capability under the 'Infrastructure' tab in IRIS:

The top screenshot shows the IRIS system interface with the 'Infrastructure' tab selected in the navigation bar. The 'Inspection' section on the right contains a link to 'Obligations', which is circled in red. An arrow points from this link to the 'Obligations Search' page shown in the bottom screenshot.

The bottom screenshot shows the 'Obligations Search' page. It includes a 'Search Criteria' section with 'Basic Search' and 'Advanced Search' tabs. The 'Obligation Info' section contains fields for 'Business Associate' (with a search button), 'Authorization #' (with a dropdown menu), 'Due Date Range' (with date pickers), and 'Fulfilled Date Range' (with date pickers). At the bottom, there are four checkboxes for filtering the search results: 'Include 'To Honour' obligations', 'Include 'Proposed' obligations', 'Include 'Waived' obligations', and 'Include 'Fulfilled' obligations'. These checkboxes are circled in red.

- **Obligations report:** Industry users with the appropriate permissions can generate a report through IRIS that identifies all of the organization's obligations as well as their status.



- **Non-compliance sweep report:** The data within the report will be refreshed three times a day (5 AM, 12 NOON and 5 PM) and will enable industry to view and fulfill any outstanding obligations to mitigate the financial impact of penalties (reduce the number of days penalties are assessed by fulfilling the obligation). It's important to note that the sweep only reflects changes and updates as of the previous data refresh. If a user fulfills outstanding obligations at 10 AM they won't be reflected in the sweep until 12 Noon, the next scheduled data refresh.

Sample Sweep Report

Non-Compliance Detail For the most recent Actual run which took place on 2016-08-31							Run Date (YYYY-MM-DD): 2016-09-26 Run Time: 08:58:44 AM				
BA ID	BA ID Name	Non-Compliance Type	Non-Compliance Identifier	Attached To	Identifier Type	Identifier	Obligation Code	Obligation Message	Due Date	Fulfilled Date	Days Non-Compliant
		Infrastructure Obligation	2087	Well Drilling Activity	Well Licence	14J138	WD100	Attach A-1 Notification of Drilling Waste Disposal.	2015-12-31	2016-01-07	
		Infrastructure Obligation	3180	Well Drilling Activity	Well Licence	14J132	WD020-1	Attach a Geological Report for every horizontal drilling activity.	2015-12-18	2016-04-06	1
		Infrastructure Obligation	3183	Wellbore	Well Licence	14J132	WB031	Submit geological markers.	2015-12-18	2015-12-21	
		Infrastructure Obligation	3196	Well Drilling Activity	Well Licence	14J131	WD008	Licensee must notify the Ministry within 1 day after commencing any drilling activity on the	2015-11-19	2015-11-25	
		Infrastructure Obligation	3197	Wellbore	Well Licence	14J131	WB030	Update depths and coordinates.	2015-11-28	2015-12-02	
		Infrastructure Obligation	3198	Wellbore	Well Licence	14J131	WB031	Submit geological markers.	2015-11-28	2015-12-21	2
		Infrastructure Obligation	3200	Well Drilling Activity	Well Licence	14J131	WD020-1	Attach a Geological Report for every horizontal drilling activity.	2015-11-28	2016-04-06	13
		Infrastructure Obligation	3201	Well Drilling Activity	Well Licence	14J131	WD101	Attach Tour Report.	2015-11-28	2015-12-07	
		Infrastructure Obligation	3203	Well Drilling Activity	Well Licence	14J131	WD113	Once a drilling activity start date is reported, the remaining drilling information must be	2015-11-19	2015-11-25	
		Infrastructure Obligation	3206	Well Drilling Activity	Well Licence	14J129	WD008	Licensee must notify the Ministry within 1 day after commencing any drilling activity on the	2015-11-19	2015-11-25	
		Infrastructure Obligation	3207	Wellbore	Well Licence	14J129	WB030	Update depths and coordinates.	2015-12-04	2015-12-07	
		Infrastructure Obligation	3208	Wellbore	Well Licence	14J129	WB031	Submit geological markers.	2015-12-04	2015-12-21	
		Infrastructure Obligation	3210	Well Drilling Activity	Well Licence	14J129	WD020-1	Attach a Geological Report for every horizontal drilling activity.	2015-12-04	2016-04-06	12
		Infrastructure Obligation	3211	Well Drilling Activity	Well Licence	14J129	WD101	Attach Tour Report.	2015-12-04	2015-12-07	
		Infrastructure Obligation	3213	Well Drilling Activity	Well Licence	14J129	WD113	Once a drilling activity start date is reported, the remaining drilling information must be	2015-11-19	2015-11-25	
		Infrastructure Obligation	4035	Well Completion	Well Licence	65C110	WC032	Attach Completion Report.	2015-11-19	2016-03-18	12
		Infrastructure Obligation	5184	Wellbore	Well Licence	15K057	WB030	Update depths and coordinates.	2016-01-18	2016-01-21	
		Infrastructure Obligation	5185	Wellbore	Well Licence	15K057	WB031	Submit geological markers.	2016-01-18	2016-01-21	
		Infrastructure Obligation	5186	Wellbore	Well Licence	15K057	WB112	Every boss wellbore requires casing to be reported.	2016-01-18	2016-01-21	
		Infrastructure Obligation	5187	Well Drilling Activity	Well Licence	15K057	WD020-1	Attach a Geological Report for every horizontal drilling activity.	2016-01-18	2016-03-17	5
		Infrastructure Obligation	5389	Wellbore	Well Licence	15H218	WB031	Submit geological markers.	2016-01-10	2016-02-02	2
		Infrastructure Obligation	5398	Well Drilling Activity	Well Licence	15K059	WD008	Licensee must notify the Ministry within 1 day after commencing any drilling activity on the	2015-12-05	2015-12-07	
		Infrastructure Obligation	5432	Well Drilling Activity	Well Licence	15K061	WD008	Licensee must notify the Ministry within 1 day after commencing any drilling activity on the	2015-12-06	2015-12-07	
		Infrastructure Obligation	5484	Well Drilling Activity	Well Licence	15K063	WD020-1	Attach a Geological Report for every horizontal drilling activity.	2016-02-10	2016-04-06	5
		Infrastructure Obligation	6059	Well Drilling Activity	Well Licence	15K059	WD020-1	Attach a Geological Report for every horizontal drilling activity.	2016-03-09	2016-04-08	3
		Infrastructure Obligation	6062	Well Drilling Activity	Well Licence	15K059	WD113	Once a drilling activity start date is reported, the remaining drilling information must be	2016-02-16	2016-03-01	1
		Infrastructure Obligation	6066	Well Drilling Activity	Well Licence	15K061	WD020-1	Attach a Geological Report for every horizontal drilling activity.	2016-02-12	2016-04-06	5
		Infrastructure Obligation	6067	Well Drilling Activity	Well Licence	15K061	WD101	Attach Tour Report.	2016-02-12	2016-05-12	

- Industry can also:
 - **Apply for an extension to the obligation's due date.**
 - **Apply to have an obligation waived.**

Both applications can be made through PNG Support at 1-855-219-9373 or PNG.support@gov.sk.ca and must include the rationale for requesting the obligation's extension or waiver.

Questions?

If you have any questions or concerns about:

- The non-compliance penalty assessment program: contact PNG Support at 1-855-219-9373 or PNG.support@gov.sk.ca.
- Invoice summaries or details, contact Energy and Resources Services at 1-844-213-1030 or er.support@gov.sk.ca.