



Asset Calculation Parameters Updated in Liability Management Rating Program

EFFECTIVE: Nov. 1, 2015

The BC Oil and Gas Commission (Commission) is updating the calculation parameters used to determine production assets in the Liability Management Rating (LMR) program. The new parameters will take effect on Nov. 1, 2015.

The calculation parameters are updated annually to better reflect current market conditions and provide the Commission with updated tools to monitor industry liability exposure. They are determined by a five-year industry rolling average, using data from the Canadian Association of Petroleum Producers (CAPP) Statistical Handbook, and were last updated in November 2014 based on CAPP data to 2012.

The most recent data available from CAPP is now up to 2013; the table below outlines the new parameters.

Calculation Parameters	Current (2008 - 2012) <i>until Oct. 31, 2015</i>	Update (2009 - 2013) <i>effective Nov. 1, 2015</i>
Shrinkage Factor	0.125	0.118
Oil Equivalency Factor	3.17	3.62
Netback	320	303

The LMR program determines security deposits for permit holders under Section 30 of the Oil and Gas Activities Act (OGAA). For more information on the LMR Program, see the [LMR webpage](#).

Questions about the updated asset-calculation parameters may be directed to:

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