

February 28, 2019

To: 2019 AER Oil & Gas Administration Fees Recipients

Re: Industry Support for the Alberta Upstream Petroleum Research Fund (AUPRF)

On behalf of the Canadian Association of Petroleum Producers, the Explorers and Producers' Association of Canada, Alberta Energy and Alberta Environment and Parks, we encourage your company's contribution to the voluntary Alberta Upstream Petroleum Research Fund (AUPRF).

We recognize the significant value the AUPRF applied research program provides the oil and gas industry, and believe that through innovation and collaborative R&D, we can minimize the environmental impact of our industry economically.

The 2019 budget necessary to implement this research program is \$4.194 million.

Background

- 397 Projects launched to date
- 35 Best Management Practices to date

Performance Highlights

- Four recently completed projects have resulted in cost savings estimated between \$25M and \$45M annually. Industry funding leveraged at a ratio of 6:1, for a combined total of over \$23M, for 397 AUPRF projects since 2000.
- An additional \$15M to \$35M annual industry cost savings are thanks to three recently implemented AUPRF projects. These projects had a total research investment from AUPRF of only \$765K. The annual industry savings from these projects far exceeds the total AUPRF investment for all projects launched since inception of the program.
- The AUPRF program and its committees have increased overall engagement of government entities from six to 17 (a 300% increase) including representation from AER, AEP, ECCC, BC OGC, and the Saskatchewan Government. Government representatives provide feedback and technical support to projects and vet potential uptake of research results in enhanced regulatory improvements.
- The AUPRF program and committees have also increased the participation of producers by 16 representatives (a 20% increase).

For more information on the AUPRF program, please visit: <https://www.ptac.org/auprf-program-background/>

As a funder, your organization is entitled access to electronic copies of all final reports from AUPRF projects, as well as best management practices developed to improve operational efficiencies and cost effectiveness. Your organization will also be recognized publicly as a financial contributor to this program.

We thank you for your cooperation, and hope that you will join our efforts in supporting the substantial value to industry generated by the Alberta Upstream Petroleum Research Fund.

For additional information on specific AUPRF projects please contact:
Tannis Such at Petroleum Technology Alliance Canada: 403-218-7703 or tsuch@ptac.org.

For information on how your portion of the AUPRF funding was calculated, please contact:
Anila Kaceli at the AER: 403-297-6985 or anila.kaceli@aer.ca.

Sincerely,




Coleen Volk, Deputy Minister, Alberta Energy



Bev Yee, Deputy Minister,
Alberta Environment and Parks



Tim McMillian, President & CEO, CAPP



Tristan Goodman, President, EPAC