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Affaires autochtones
et du Nord Canada



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2015–2016
Indian Oil and
Gas Canada
(IOGC)

Canada 

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Strater Crowfoot
Executive Director and CEO

MESSAGE FROM THE CEO

TO OUR STAKEHOLDERS

As in recent years, aside from daily operations, there were four ongoing key projects that were priorities for Indian Oil and Gas Canada (IOGC):

- Modern Act, Regulations, and Systems (MARS)
– Regulations Development
- Modern Act, Regulations, and Systems (MARS) – Resource Information Management System 2 (RIMS2)
- Organizational Change Management (OCM)
- Royalty Management

The MARS project was initiated in FY2010–2011 to guide the modernization of the *Indian Oil and Gas Regulations, 1995* and the implementation of the amendment to the *Indian Oil and Gas Act, 2009* and the new regulations. This project remained IOGC's top priority for FY2015–2016.

To complete the MARS project, various phases were identified. The first phase of the project was completed with the granting of Royal Assent to the amended *Indian Oil and Gas Act* in May 2009 which resulted in the new *Indian Oil and Gas Act, 2009* that will eventually replace the existing *Indian Oil and Gas Act, 1974*. Subsequent phases of the project include:

- The development of new regulations
- The coming into force of the 2009 Act and new regulations
- Implementation of the new Act and regulations through modernized business practices supported by informatics enhancements

The new Act and regulations will be implemented through modernized business practices supported by informatics enhancements.

A Joint Technical Committee (JTC) — comprised of First Nation oil and gas technicians, Government of Canada officials from IOGC, Indigenous and Northern Affairs Canada, and Justice Canada — had originally worked on the *Indian Oil and Gas Act, 2009*; they are currently working on the development of new supporting regulations.

In FY2013–2014, an agreement was reached between the department and First Nations to implement a phased approach for regulatory development; firstly with a new set of core regulations that is compatible with the 2009 Act. The end-result of this process — 2009 Act and core regulations — would then become law with minimal delay.

During Fiscal Year (FY) 2015–2016, IOGC worked on accommodating the recommendations and feedback of all stakeholders — First Nations, industry and the oil and gas producing provinces — on the 2nd Consultation Draft, Phase 1 regulations.

By the end of FY2015–2016, IOGC and the JTC's work on the Phase I, or core regulations was complete and Justice Canada was on the verge of completing the official Blue-Stamped version of the regulations — the version that undergoes departmental and government approval processes leading to their pre-publication in the *Canada Gazette, Part I* for public review and commentary. An advanced version of the regulations, the 3rd Consultation Draft and the near-final version to be published in the Gazette, was prepared and shared with First Nations at two symposiums held in Edmonton and Saskatoon in the spring of 2016.

The new Act and regulations will be implemented through modernized business practices supported by informatics enhancements. Two years ago, I reported that IOGC's request for membership in Petrinex (formerly PETRINEX — **PET**roleum **IN**formation **EX**cellence which itself was formerly the Petroleum Registry of Alberta) was granted in October 2013. Petrinex is the provincial and industry recognized authoritative source for hydrocarbon volume and pricing information. Once fully implemented, Petrinex and IOGC will be able to exchange data that will improve both the accuracy and timelines of IOGC's royalty assessment process. This also addresses a major source for disagreements between First Nations and their business partners — volume measurement and pricing. By the end of FY2015–2016, IOGC was scheduled to seek both project and expenditure approvals for the informatics project from Treasury Board.

On the operations side, weak natural gas prices since early 2014 continued to be reflected by movement away from dry gas plays to oil plays and liquids-rich gas plays. Consequently, this resulted in fewer wells drilled and decreased gas royalties. In total, IOGC collected \$63,004,155 on behalf of First Nations and issued a total of 61 new surface agreements and 17 sub-surface agreements. More details on our operational activities are contained in this report.

IOGC would not be on the threshold of having new regulations approved or beginning new systems development without the contributions made by IOGC staff, our partners, and our clients. Through hard work, strong partnerships, and commitment, we have established a strong foundation that will have IOGC ready to implement and administer the new Act and regulations beginning on the day they both become law.

Sincerely,
Strater Crowfoot
Executive Director and CEO



OVERVIEW

HISTORY OF INDIAN OIL AND GAS CANADA AND RELATED LEGISLATION

The Government of Canada has a broad mandate for First Nation issues, which arises from existing legislation and from legal obligations contained in section 91(24) of the *Constitution Act, 1867*. Indigenous and Northern Affairs Canada (INAC) is entrusted with fulfilling various obligations of the federal government to Indigenous people as outlined in the Constitution, treaties, the Indian Act, and other legislation. Included in this obligation is the management of natural resources on First Nations reserve lands, including oil and gas.

Oil and gas development on First Nations reserve lands has been legislated since 1974 under the *Indian Oil and Gas Act, 1974*. Prior to that, oil and gas activities were administered under the *Indian Act*. In 1977, the *Indian Oil and Gas Regulations* were promulgated and brought under the *Indian Oil and Gas Act, 1974*. Those regulations were last revised in 1995.

In 1987, Indian Oil and Gas Canada (IOGC) was established and replaced Indian Minerals West within the Department of Indian Affairs and Northern Development¹. IOGC's mandates are to manage oil and gas development on First Nations reserve lands and to further First Nation initiatives to manage and control their resources. In 1993, IOGC became a Special Operating Agency to increase its client focus.

¹ The legal name of the department is the "Department of Indian Affairs and Northern Development", or DIAND, and this name appears on all legal documents. The department also has an approved name for everyday use, "Indigenous and Northern Affairs Canada" or INAC.

STATUTORY AUTHORITIES

IOGC operates in accordance with provisions of the *Indian Oil and Gas Act, 1974* and the *Indian Oil and Gas Regulations, 1995*.

IOGC also operates in accordance with other federal legislation including provisions of the *Indian Act*, the *Canadian Environmental Assessment Act, 2012*, and the *Financial Administration Act*.

IOGC is a Special Operating Agency and separate employer within Indigenous and Northern Affairs Canada with responsibility for managing and regulating oil and gas resources on designated First Nations reserve lands across Canada.

IOGC CO-MANAGEMENT BOARD

IOGC operates under the direction of an Executive Director and Chief Executive Officer (CEO) who participates as a member of the IOGC Co-Management Board. The Board was established in 1996 by the signing of a Memorandum of Understanding between the Minister of Indian Affairs and Northern Development and the Indian Resource Council (IRC); an Indigenous organization that advocates on behalf of approximately 189 First Nations with oil and gas or the potential for such resources. The Board focuses on areas of common interest.



There are nine members on the IOGC Co-Management Board. The Board is comprised of the IRC Chair and five other members appointed by the IRC. Two positions are named INAC positions: the Assistant Deputy Minister of Lands and Economic Development; and, the Executive Director and CEO of IOGC. One position is appointed by the Minister from the oil and gas industry.

ROLES AND RESPONSIBILITIES

IOGC is a Special Operating Agency and separate employer within Indigenous and Northern Affairs Canada with responsibility for managing and regulating oil and gas resources on designated² First Nations reserve lands across Canada.

IOGC currently manages the oil and gas resources of 40 First Nations (61 reserves) with active oil and gas agreements. All funds collected on behalf of First Nations are placed in their trust accounts.

IOGC works closely with First Nation Chiefs and Councils through the negotiation and approval processes. All agreements require Chief and Council approval through a band council resolution (BCR). For those First Nations who have designated their reserve lands for oil and gas activities; IOGC's main functions are to:

- Negotiate, issue and administer agreements with oil and gas companies;
- Conduct environmental reviews;
- Monitor oil and gas production and sales prices;
- Verify / assess and collect moneys such as bonuses, royalties and rents; and,
- Ensure legislative and contract requirements are met.

² Land Designation is a process by which a community has assented, via a referendum vote, that described lands are to be used for a certain purpose – in this case, for oil and gas exploration and / or development. Designations can be considered as analogous to “zoning” land off a reserve for residential, commercial or industrial development purposes.



STRATEGIC PRIORITIES FY2015-2016

KEY PROJECT #1

Modern Act, Regulations, and Systems (MARS) — Regulations Development

a) Legislation Development – First Nations Involvement

Legislation modernizing the *Indian Oil and Gas Act, 1974* received Royal Assent in May 2009 and resulted in the *Indian Oil and Gas Act, 2009*. The 2009 Act is not currently in force because regulations, authorized under that statute, have yet to be completed. Once it comes into force, the 2009 Act will provide many benefits for First Nations as a result of new authorities provided to IOGC:

- 1) to audit companies working on First Nations reserve lands;
- 2) to set longer periods for industry to maintain records for auditing purposes;
- 3) to deal more effectively with surface and sub-surface trespass;

- 4) to protect First Nations sites of historical significance, or sites of cultural, spiritual, or ceremonial importance;
- 5) to order companies to take remedial action under certain circumstances;
- 6) to provide for the issuance of fines and penalties for offences under the Act or regulations;
- 7) to add specificity on regulation-making authorities; and,
- 8) to be accountable to Parliament since reporting must be done every two years on consultations and future variations in regulations from province to province.

To ensure that First Nations benefitted, with minimal delay, from the many improvements contained within the 2009 Act, the Department proposed – and First Nations agreed in FY2013-2014 – a phased approach for developing regulations and bringing them into force. Thus, the IOGA, 2009 will come into force once the Phase I, or Core, Indian Oil and Gas Regulations have been completed and promulgated. The IOGA, 2009 provides for modernized regulations that would align with provincial regimes in key competitive areas and, therefore, industry would be working with rule sets that are familiar to them. In this manner, it is expected that First Nations reserve lands would be as competitive for industry investment as equivalent lands off reserve.

The IOGA, 2009 was developed with the assistance of the Indian Resource Council (IRC) along with the participation of a Joint Technical Committee (JTC) made up of departmental officials, experienced First Nation oil and

gas technicians, and officials from other federal departments. Once their work on the 2009 Act was completed, the JTC focused their attention on the development of new regulations.

b) Regulations Development – First Nations Involvement

The JTC is a working level committee, comprised of First Nation and government members, appointed with the responsibility to review and comment on proposed changes to the existing *Indian Oil and Gas Regulations, 1995*. This group does not replace individual involvement sessions with First Nations but allows IOGC to access those First Nation technicians with significant oil and gas expertise. Due to the expected complexity of the new regulations, the work was divided into a number of themes with each theme subsequently becoming a distinct regulatory module.

The IOGA, 2009 provides for modernized regulations that would align with provincial regimes in key competitive areas.

In early FY2015–2016, the work of the JTC resulted in the completion of the 2nd Consultation Draft, Phase I regulations – a version sufficiently complete and detailed that it could be widely circulated to all IOGC's stakeholders for review and feedback. Printed copies of the 2nd Consultation Draft, Phase I regulations were provided to First Nations, industry with active agreements on First Nations reserve lands, and the oil and gas producing provinces for their detailed review and input. Electronic versions of these documents were published on the *First Nations Gazette* (<http://www.fng.ca>) website on May 12, 2015.

Stakeholder feedback received was grouped under three categories: 1) Technical; 2) First Nations' governance; and, 3) First Nations consultation. Technical comments received were accommodated, where appropriate. For feedback related to First Nations' governance or consultation, by the end of FY2015–2016, the Department began exploring options with oil and gas First Nations to establish a negotiating table for the development and consideration of potential solutions.



c) Regulations Development – Consultation, Engagement and Outreach

Throughout regulations development, face-to-face consultation and outreach with individual First Nations, Tribal Councils, and Treaty Areas were conducted upon request. In addition to these in-person meetings, First Nations with oil and gas potential, as well as all companies with oil and gas interests on reserve, receive a quarterly newsletter with progress reports on the MARS project. The 2nd Consultation Draft, Phase I regulations was distributed to all First Nations for their review and feedback in early FY2015–2016. Towards the end of FY2015–2016, a special, pre-Blue-Stamped version of the Phase I regulations was prepared and shared at two symposiums hosted by IOGC.

Consultations on the Act and regulations have been among the most comprehensive ever conducted by the Department. Overall, IOGC engaged more than 250 stakeholders in over 80 one-on-one meetings, ten symposiums and six technical workshops.

Stakeholders engaged and consulted included:

- 68 First Nations who are significant and smaller oil and gas producers;
- First Nations located in geographic areas with potential production;
- First Nation representative organizations (Indian Resource Council; Federation of Sovereign Indigenous Nations);
- IOGC Co-Management Board.

177 Canadian Oil and Gas Companies & Organizations

- Representative organizations (Canadian Association of Petroleum Producers Explorers and Producers Association of Canada);
- Individual companies with leasehold interests on First Nations reserve lands.

8 Provincial Governments

- Provincial Departments / Ministries of Energy;
- Provincial oil and gas regulatory bodies.

IOGC maintains an up-to-date “Record of Consultations” on the Act and regulations on its public website:

<http://www.pgic-iogc.gc.ca/eng/1100110010002/1100110010005>

KEY PROJECT #2

Modern Act, Regulations, and Systems (MARS) – Business Process Modernization and Resource Information Management System 2 (RIMS2)

a) Business Process Modernization

To optimize the benefits to First Nations of the new on-reserve legislative and regulatory regime, its implementation needs to include modernized business practices supported by enhanced informatics. IOGC uses business process mapping / modeling tools to:

- Review existing business practices and processes to ensure synergy and compliance;
- Identify and eliminate duplication of effort;
- Reduce red tape and streamline procedures.

IOGC staff continues upgrading their knowledge and expertise of new processes; therefore, allowing them greater responsibility.

Business process modelling and modernization is important because it helps identify the business and user requirements for informatics – new tools, changes needed to existing tools, or identifying data sources that can replace and retire existing ones. It also provides a means of ensuring that IOGC staff continues upgrading their knowledge and expertise of new processes; therefore, allowing them greater responsibility. This benefit results in greater transparency for IOGC's clients and stakeholders.

In FY2015–2016, IOGC officially adopted IBM Blueworks Live as its enterprise-wide standard for business process modelling and mapping and 21 IOGC staff were trained.

b) Informatics Enhancement – Resource Information Management System 2

IOGC's existing Resource Information Management System (RIMS) is the system that stores data concerning all surface and sub-surface agreements,

Indian interest wells, and royalty entities. The informatics enhancements that support the implementation of the new Act and regulations has been dubbed the "RIMS2 Project". The RIMS2 Project is a joint initiative between IOGC and the Information Management Branch of Indigenous and Northern Affairs Canada. The RIMS2 Project is required to undergo several stages of departmental approvals before project and expenditure approvals are sought from the Treasury Board.

The proposed RIMS2 Project provides for IOGC membership and data exchange with Petrinex (formerly PETRINEX – **PETRO**leum **IN**formation **EX**cellence). Petrinex is the provincial and industry-recognized authoritative source for hydrocarbon volume and pricing information. IOGC's request for membership in Petrinex was approved in October 2013. Petrinex partners currently include the provinces of Alberta and Saskatchewan as well as the oil and gas industry. The provinces of Manitoba and British Columbia, and Statistics Canada are in the process of joining. Petrinex data exchange with IOGC would provide tangible benefits in the areas of more timely and certain royalty assessments.

Prior to linking and data exchange, any data inconsistencies between the two sets need to be identified and resolved. This work is underway with the provinces of Alberta and Saskatchewan. A Memorandum of Agreement (MOA) with the Province of Alberta was drafted and the timeline for completion will be the end of FY2016–2017.

The proposed RIMS2 Project solution includes:

- New Royalty Management functionality
- Petrinex data exchange with IOGC
- Case Management Capability:
 - Since not all oil and gas projects are equal in terms of financial value or urgency, an automated system will be implemented to:
 - track oil and gas projects and files; and,
 - automatically notify IOGC staff when action is required
 - There are a number of business processes that are excellent candidates for initial inclusion in a case management-style of management. IOGC will prioritize and phase-in its business processes based upon value to the organization. For each business process brought under case management, IOGC would develop the means to assign, monitor, track and report on the activities necessary to carry out a task, or series of tasks, through to completion.

Outside of Royalty Management, the existing RIMS will be used, and modified as required, to serve IOGC's other business needs.

In FY2015–2016, the required RIMS2 documentation received the required Departmental approvals and the RIMS2 Project was scheduled for Treasury Board consideration in early FY2016–2017 for both project and expenditure approvals.

KEY PROJECT #3

Organizational Change Management (OCM) Project

The objective of the Organizational Change Management (OCM) project is to prepare IOGC to be ready to implement and to administer the new Act and new regulations beginning on the day both become law. OCM focuses on building internal change management capacity so IOGC and its staff are better-equipped to implement both internally and externally-driven changes.

In early FY2015–2016, IOGC officially adopted Prosci’s research-based, change management methodology to build individual competencies and organizational capabilities. Training was provided so that each of IOGC’s four directorates was provided with a Prosci-certified change management practitioner. To further ingrain the methodology, in September 2015, IOGC executives received Prosci training on how to be effective sponsors and enablers for change and IOGC managers and supervisors received Prosci training on how they could assist their staff in successfully navigating through the rapid change taking place in the workplace.

The new capacity to manage change was leveraged by IOGC staff to complete the gap analyses started the year prior. The gap analyses examined the new Act and regulations in minute detail and identified everything required by IOGC to implement and administer them (e.g., policies, procedures, forms, agreements, training, information requirements). This information was used to develop Accountability Frameworks for each of IOGC’s work teams and this, in turn, led to the development of an integrated project and change management plan and timeline to ensure IOGC’s readiness for the new Act and regulations.

In parallel with IOGC beginning to administer a new Act and new regulations, First Nations must also move from existing oil and gas processes to the more modern regime made possible by the new Act and regulations. IOGC funded a “First Nations Readiness” study conducted by the IRC and a report was prepared for IOGC’s review and consideration at the end of FY2015–2016.

KEY PROJECT #4

Royalty Management

The goal of this project is to mirror key changes originating from the Alberta and Saskatchewan royalty regimes plus any other royalty regime changes that apply at the provincial level. This would allow IOGC to assess royalties in a more accurate, complete, and timely manner while minimizing instances of royalty overpayments and underpayments.

IOGC regularly meets with the Canadian Association of Petroleum Producers (CAPP) to get valuable feedback from industry on areas of mutual interest. This included changes to the royalty submission including communications with industry advising them of such changes.

IOGC’s new electronic royalty data submission web interface is designed to be more user-friendly while introducing additional data validation rules to inform users of errors in their data entry. Although the new web interface was ready for launch, its implementation has been delayed due to server system upgrades and the requirement to conduct a threat and risk assessment of the system and data security. The new web interface will be implemented once the informatics threat and risk assessment is completed.

Another priority area for the Royalty Management project is verifying and processing underpayments and overpayments. IOGC developed, and continues to refine, its data quality assurance processes. Directions to Comply for underpayments issued in FY2015–2016 resulted in IOGC collecting approximately \$1.6 million in additional royalties that were owed to First Nations.

IOGC regularly meets with the Canadian Association of Petroleum Producers (CAPP) to get valuable feedback from industry on areas of mutual interest.



OPERATIONS

IOGC has four distinct divisions that regulate and manage the exploration and development of oil and gas resources on First Nations reserve lands:

- 1. Executive Division
- 2. Lease and Royalty Administration Division
- 3. Regulatory Compliance Division
- 4. Planning and Corporate Services Division





EXECUTIVE DIVISION

The Executive Division focuses on:

- Setting corporate direction and strategy;
- Fostering effective working relationships among First Nations, industry, and government via:
 - Consultation and effective partnerships;
 - Implementation of the directives of the IOGC Board of Directors;
 - Organizational Change Management.

The Executive division contains three units: Strategic Projects, Communications and Executive Services; and, the Project Management Office.

STRATEGIC PROJECTS UNIT

- Supporting other IOGC units with business process improvements;
- Leading RIMS2 informatics enhancements;
- Creating strategic partnerships for data exchange with authoritative sources;
- Facilitating IOGC business units' access to services such as:
 - business process mapping and modernization
 - business analysis / advisory services
 - technical writing

COMMUNICATIONS AND EXECUTIVE SERVICES UNIT

- Disseminating information to First Nations, oil and gas industry companies, the public and government;
- Developing Corporate communications and strategies regarding IOGC issues that have the potential to impact First Nations or the private sector;
- Developing and preparing briefing material on IOGC issues for senior departmental officials and the Minister;
- Preparing communications plans, strategies, reports (including the Annual Report, the quarterly MARS Newsletter, and Information Letters or Notices on IOGC's website), and correspondence on IOGC activities; and,
- Maintaining IOGC's Internet and Intranet websites.

PROJECT MANAGEMENT OFFICES

MARS Project & Organizational Change Management (OCM)

- Providing project co-ordination services for the MARS Project;
- Providing services related to Organizational Change Management, which focuses on the "people side" of change, including the procurement of professional services in this area of specialty.



LEASE AND ROYALTY ADMINISTRATION DIVISION

The Lease and Royalty Administration Division is responsible for the issuance and administration of oil and gas agreements. The division contains five units: Negotiations, Contracts and Research; Lease Administration; Royalties; Geology; and, Treaty Land Entitlement Support.

NEGOTIATIONS, CONTRACTS, AND RESEARCH UNIT

- Identifying disposition options with First Nations;
- Assessing proposals from interested companies to ensure fair return;
- Providing negotiation and facilitation expertise to reach agreements between First Nations and companies;
- Drafting and issuing sub-surface oil and gas agreements;
- Administering sub-surface continuances;
- Monitoring and verifying regulatory and contractual commitments;
- Verifying legal title and status of minerals for surrendered and designated Indian reserve lands prior to disposition; and,
- Providing title verification and confirming acreage for pooling purposes.

The royalty changes that were introduced by the Province of Alberta continue to have an impact on IOGC's operations. The Negotiations, Contracts, and Research Unit continued to review agreements to the extent to which First Nation agreements have been affected by the Alberta royalty regime changes. This review confirmed that there is a continued requirement to dedicate significant resources to ensure these royalty changes are properly reflected in both existing and new agreements issued by IOGC on First Nation lands.

The Negotiations, Contracts, and Research Unit worked diligently with all stakeholders and IOGC was able to continue to implement competitive agreements as compared to provincial royalty regimes. The Negotiations, Contracts, and Research Unit was able to ensure every new and amended disposition recommended last fiscal year provided a return to First Nations that was higher than both the Alberta and Saskatchewan royalty regimes.



During these uncertainties in the economy due to the downturn of the energy sector, IOGC usually experiences a decrease in new issuances coupled with a substantial increase in assignments.

LEASE ADMINISTRATION UNIT

Issues oil and gas surface leases, rights of way, and exploratory licenses and associated surface rights to companies:

- Administering surface and sub-surface leases;
- Verifying and maintaining corporate information and records;
- Registering IOGC transactions in the Indian Lands Registration System (ILRS).

In FY2015–2016, IOGC issued 61 surface agreements. This is an increase of 18 dispositions over FY2014–2015. IOGC targets normally range between about 145–450 agreements issued in a given year.

The current trend is a continued decrease in dispositions as a result of lower commodity prices. During these uncertainties in the economy due to the downturn of the energy sector, IOGC usually experiences a decrease in new issuances coupled with a substantial increase in assignments.

In FY2015–2016, surface land area under disposition amounted to 10,654 hectares. This is an increase of 13 hectares over the previous fiscal year. This number includes new dispositions minus surrendered dispositions. Surface area under disposition refers to the actual amount of reserve land impacted by oil and gas development.

In FY2015–2016 the total number of surface agreements under IOGC administration was 4,969. This is a slight increase of 20 from the previous year's total of 4,949. We expect this total number of agreements to vary from year to year. At some point in time, the number of surface leases will decrease as hydrocarbon resources eventually become depleted and sites are reclaimed.

In FY2015–2016, IOGC issued 17 sub-surface agreements which represented an increase of 7 from FY2014–2015. The total number of these agreements under IOGC administration was 668, which represents a slight decrease of 14 from the year prior, comprising 380,305 hectares. Again, the total number of agreements varies from year to year.

As a result of the economic downturn in the oil and gas sector in 2014, IOGC saw a decrease in the number of registrations. In FY2015–2016, IOGC staff performed 429 registrations into ILRS; this is a decrease of 327 from 756 in FY2014–2015.

ROYALTIES UNIT

IOGC is responsible for verifying and collecting royalty moneys generated by the production and sale of oil and gas resources from First Nations reserve lands:

- Ensuring accuracy and completeness of royalty submissions;
- Conducting royalty assessments;
- Managing gas cost allowance deductions;
- Managing trucking deductions;
- Monitoring and addressing royalty moneys in suspense.

GEOLOGY UNIT

- Maintaining annual drilling statistics/summary;
- Conducting reviews for the continuation or termination of leases.

Drilling on First Nations reserve lands reflected the general malaise affecting the entire industry due to the collapse of oil prices. Only 43 wells were drilled on First Nations reserve lands, a significant decrease from the 114 wells drilled in FY2014-2015 and the 100 wells drilled in FY2013-2014. Investment in drilling was just under \$48,000,000 compared to \$172,000,000 in FY2014-2015. Horizontal wells are the dominant method of drilling now with 37 of the 43 wells of that kind. Drilling for gas has rebounded with 21 of last year's wells targeting gas and 22 wells targeting oil.

One of IOGC's primary roles under the TLE process is to assist with the replacement of third party interests when reserves are being created pursuant to a TLE claim.

TREATY LAND ENTITLEMENT (TLE) SUPPORT UNIT

Providing advice to TLE First Nations and working to facilitate the implementation of the TLE process:

- Verifying legal title and disposition information for surface and mineral agreements on status of minerals on designated TLE;
- Drafting and issuing surface and sub-surface replacement agreement;
- Ensuring all Addition to Reserves (ATR) stakeholders are informed and understand IOGC's role in the ATR process.

Treaty Land Entitlement (TLE) claims are a type of land claim arising from the fact that some First Nations did not receive all the land they were entitled to under treaties signed with the Federal Crown. Today, the TLE process exists to fulfill these outstanding obligations. TLE often results in an ATR — that is, land is added to a First Nation's land base — though First Nations can opt to receive other forms of settlement.

One of IOGC's primary roles under the TLE process is to assist with the replacement of third party interests when reserves are being created pursuant to a TLE claim. IOGC replaces agreements that are oil and gas related and can be administered according to the *Indian Oil and Gas Act and Regulations* once the lands become reserve under federal title.

In FY2015-2016 IOGC's TLE Support Unit drafted 0 replacement agreements. As of March 31, 2016 there were currently 458 active replacements being administered by IOGC on behalf of several TLE First Nations. There are also another 271 replacement agreements that have been drafted and are ready to fall under IOGC administration as soon as their associated lands achieve reserve status.

SPECIAL SUBJECT: **Band-Owned Oil and Gas Companies**

Many First Nations are no longer passive recipients of oil and gas royalties for their natural resources. In fact, they are becoming more involved in the oil and gas operations on their lands. First Nations have created Band-owned oil and gas companies (BOC). The structure of each BOC can be different for every First Nation as it reflects their desired level of participation and their community goals. A BOC provides a First Nation with greater control, additional economic rent, and an opportunity for capacity building.

At the end of FY2015-2016, there were 16 BOC's holding 170 sub-surface agreements comprising 173,964 hectares (25% of all sub-surface managed by IOGC) of First Nations reserve lands.



REGULATORY COMPLIANCE

The Regulatory Compliance Division is responsible for maintaining a clear and transparent on-reserve oil and gas regulatory framework – supported by policy and enforceable rules – so as to encourage industry compliance and to instill confidence in First Nations that resource development on their lands is conducted in a manner that minimizes environmental impact while conserving resources. The division contains five units: Environment, Resource Analysis and Compliance; Technical Business Support; Review; and, Policy.

ENVIRONMENT TEAM

- Ensures environmental reviews are completed and potential environmental impacts are mitigated;
- Ensures compliance through environmental protection measures such as environmental audits and field inspections;
- Ensures First Nation reserve lands are returned to equivalent land capability via remediation and reclamation of oil and gas sites;
- Ongoing outreach and participation with industry, First Nations, other federal departments and the provinces;
- Supporting and facilitating the abandonment of orphan wells and reclamation within each provincial jurisdiction.

The overall goal for the team is to ensure that companies are compliant with environmental protection legislation, regulations, and IOGC's environmental protection terms. To meet this goal, the team works closely with industry clients and in partnership with First Nations and provincial oil and gas regulators. The Environment Team has been extremely busy and prides itself on meeting its service standards and encourages and seeks opportunities with First Nations and industry for continuous improvement.

In FY2015–2016, the team reviewed a total of 101 environmental reviews for new or amended projects. The number of new or amended projects is similar to the 114 reviews it conducted in the last fiscal year and reflects current market conditions. The team also reviewed 544 environmental audits for compliance. In addition to environmental audits, the Environment Team also conducts inspections particularly at older sites where environmental audits are not required or at sites that may be considered higher risk such as being located near residents. The team will also inspect sites if there are complaints raised by the First Nation members. Depending on the situation, we may request that a provincial oil and gas regulator also accompany IOGC to a site or vice versa.

The Environment Team is often the face of IOGC in First Nations communities and with industry clients.

Also, in FY2015–2016, the Environment Team visited 18 Reserves and inspected 342 surface agreement sites. Joint inspections with provincial oil and gas regulators were conducted at 7 of the 18 Reserves and 32 of those 342 inspections. These visits resulted in numerous inspection letters being issued. Once oil and gas activities have ended, it is expected that First Nations reserve lands are returned to equivalent land capability. In FY2015–2016, 25 new reclamation applications were reviewed and 30 reclamation inspections were conducted.

The Environment Team is often the face of IOGC in First Nations communities and with industry clients. Last year, the unit attended 52 meetings with First Nations and had 52 meetings with industry environmental consultants.

The team is also involved as active members of provincial and federal oil and gas regulators and industry on various committees including the Saskatchewan Petroleum Industry Government Environmental Committee (SPIGEC), Alberta Orphan Well Committee, Technical Advisory on Public Health and the Oil and Gas Industry (TACPHOGI) and the Alberta Joint Geophysical Committee.

SPECIAL SUBJECTS:

Pigeon Lake Reclamation Committee

As conventional oil resources and gas development winds down in Alberta, reclaiming assets has become front and centre for the industry. The Environment Team, Four Nation representatives (Ermineskin Cree Nation, Louis Bull Tribe, Montana First Nation and Samson Cree Nation), and Imperial Oil Ltd., formed the Pigeon Lake Reclamation Committee in 2013 to oversee the remediation and reclamation of approximately 60 sites. Existing traditional land use, community consultation and engagement and Four Nation economic business opportunities form the main topics of coordination and discussion within the Committee. The Committee is working on ensuring that the 10 to 15 years of contract work will go to First Nation businesses and partnerships. All Committee members are working collaboratively to ensure land is returned for future generations of Pigeon Lake residents.

Legacy Wells

Some oil and gas activity on First Nations reserve lands pre-date the founding of IOGC and even that of INAC. There are oil wells nearly a century old on reserve land. Though they were abandoned according to the industry standards of the day, over time some have begun to seep. With the passage of so much time, it is often difficult or impossible to determine the responsible company and hold them accountable for fixing the problem. Utilizing a risk-based assessment approach, in FY2015–2016, IOGC worked with the INAC Regional Office and the Wikwemikong Nation to re-abandon 6 such wells in Ontario. To date, a total of 17 orphaned sites have been re-abandoned. A total of 9 orphaned wells are slated for re-abandonment in FY2016–2017 bringing the total to 26 wells re-abandoned.



The unit responds to many and various requests from other IOGC sections, from First Nations, from other government agencies and from the oil and gas industry

Orphan Wells

When oil companies go bankrupt or current ownership cannot be established, facility abandonment and reclamation work is required to handle the existing liabilities. IOGC is working with Tsuu T'ina Nation and the Orphan Well Association to ensure First Nation businesses have opportunities to submit competitive bids to complete the work on Reserve.

Given the current market conditions, it is expected the number of orphan wells will continue to rise in the coming years. IOGC is working with the provincial agencies to track the number of companies who have deemed insolvent and what assets on Reserve may be impacted. The Environment Team is also stepping up its site inspections particularly at well sites where it is known companies are having financial difficulty and have declared bankruptcy. Since oil and gas companies operating on reserve pay orphan levies via the provinces, wells deemed “orphan” are remediated and reclaimed by industry orphan levies.



REVIEW UNIT

- Providing litigation support, including assisting Justice Canada and the Litigation Management and Resolution Branch (LMRB) at INAC with legal actions;
- Compliance and enforcement;
- Monitoring quality assurance of instruments that have compliance / enforcement impacts.

RESOURCE ANALYSIS AND COMPLIANCE

Maintaining well files on all newly-drilled wells:

- Managing trespass and potential drainage situations, including enforcement;
- Preparing revenue forecasts;
- Conducting ongoing and routine engineering and geology work including review of notices and applications;
- Maintaining hydrocarbon resource inventory.

The Resource Analysis and Compliance unit has two main goals – the first is to support conservation of the oil and gas resources of First Nations, and the second is to provide First Nations with information regarding oil and gas activity and ensuing revenues on their reserve lands. The unit strives to provide a high level of service to First Nations related to its assigned functions.

One of its most important functions is to conduct drainage monitoring and issue drainage notices. To carry out this function, the unit monitors for off-reserve wells producing close to reserve boundaries. Each of these situations is reviewed to determine whether or not drainage may be occurring. Where IOGC believes that drainage may be occurring and the relevant on-reserve lands are leased, the relevant First Nation's band council is contacted so that a joint determination of potential drainage may be made. Where such a determination is made, IOGC will prepare and issue a drainage notice to the relevant lessee(s) in consultation with the band council. If the unit believes that drainage may be occurring but the reserve lands are not leased, then the IOGC's negotiations unit and the First Nation are advised so that any opportunities for leasing the reserve lands can be investigated.

One of the most popular services is the revenue forecast service, whereby assigned engineers prepare royalty revenue forecasts and land revenue forecasts for First Nations with oil and gas activity. In FY2015–2016, the unit completed 39 revenue forecasts, 29 of which were for First Nations in Alberta

and the remaining 10 for First Nations in Saskatchewan. Usually each revenue forecast is comprised of two scenarios, a base case and a low case, and separate numbers are provided for each. On occasion, a high case scenario may also be provided for a First Nation where warranted.

TECHNICAL BUSINESS SUPPORT UNIT

The TBS Unit contributes to the division mandate by:

- Leading and coordinating production and royalty-related audits, investigations and inspections to ensure safe and appropriate field operations and a fair return for First Nation resources;
- Leading and coordinating research with respect to technical and economic issues; and,
- Supporting IOGC, other Government of Canada bodies, First Nations and provincial agencies.

The unit responds to many and various requests from other IOGC sections, from First Nations, from other government agencies and from the oil and gas industry. Those requests encompass the development or modification of royalty structures, coordination with and participation in federal and provincial initiatives, support for specific claims, investigation into existing and emerging issues, provision of technical data and information to support royalty assessment, and initiating and supporting compliance actions.

During FY2015-2016, unit staff conducted several field inspections for purposes of ensuring operating safety as well as compliance with oil and gas production measurement, allocation and reporting requirements, and two specialized investigations. Meanwhile, unit staff initiated and completed eight royalty-related audits and over one hundred desk reviews to verify and analyze oil and gas prices, and over fifty less comprehensive price reviews.

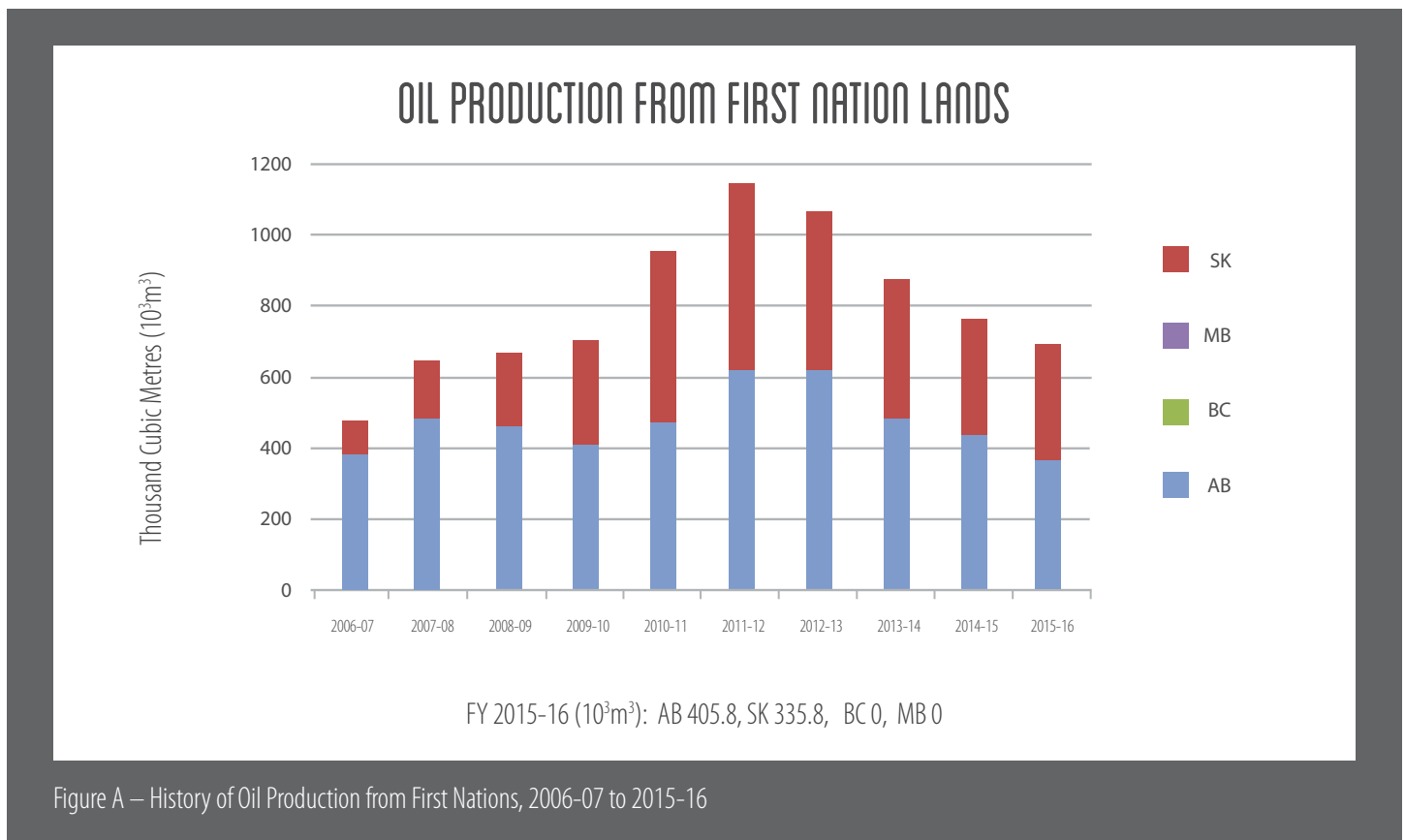


Figure A – History of Oil Production from First Nations, 2006-07 to 2015-16

OIL PRODUCTION FROM FIRST NATION LANDS

During FY2015-2016, oil was produced from 36 Indian reserves in 28 First Nations. The oil production history chart indicates that oil production from First Nation lands declined approximately 6% from the FY2014-15. Total First Nation oil production in FY2015-2016 was approximately 742,000 cubic metres, down from 790,000 in FY2014-15. As in previous years, most of the oil produced from First Nations is heavy oil.

The majority of oil production, approximately 55%, comes from First Nations in Alberta with the balance coming from First Nations in Saskatchewan. It is worthy to note, though, that over 37% of the total comes from one Nation in Saskatchewan.

As in FY2014-2015, there was no oil production from First Nations in Manitoba and British Columbia. The wells in the one Manitoba First Nation, wells that had produced oil during FY2013-2014, remained shut-in for FY2015-2016.

OIL PRICES

As reported in previous years, prices for oil, natural gas and natural gas products fluctuate according to a wide variety of influences, driven by markets and geo-economics. The effects of the deflation of crude oil prices which began in late November 2014, when the Organization of Petroleum Exporting Countries (OPEC) began to seek to regain their share of the world supply of crude oil, were still being felt all through fiscal year 2015-16. After experiencing a low point in the latter part of fiscal year 2014-15 – in January 2015 – oil prices rallied for a few months until June 2015. After that, though, they plummeted once again, reaching their lowest point in over seven years, in February 2016. Prices rallied once again, although only slightly, to close out fiscal year 2015-16.

The effects of oil price deflation continued to be felt world-wide. Many companies ceased operations, many were swallowed up by competitors, others continued to slash their capital spending programs and their workforces. By the end of fiscal year 2015-16, many people – industry workers, analysts and prognosticators, were hoping that relief might be found in November 2016, when OPEC would once again convene its annual meeting. Many still predict, however, that oil prices might never again reach the price levels experienced in 2014.

FIRST NATION OIL PRICES & MONTHLY BENCHMARKS

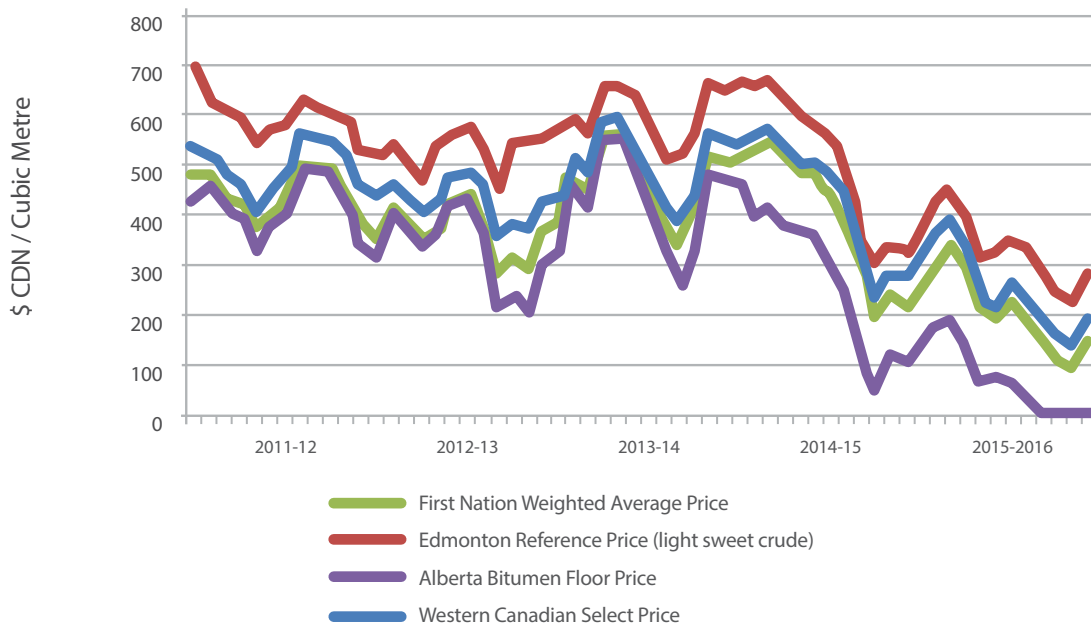


Figure B – History of First Nation Weighted Average Oil Prices versus Benchmark Prices, 2011-12 to 2015-16

The average prices for First Nation oil continue to track between heavy oil prices and bitumen prices. That is appropriate because the “average” First Nation oil has properties that place it between heavy oil and bitumen.

NATURAL GAS PRODUCTION FROM FIRST NATION LANDS

Natural gas originates hundreds or thousands of meters deep in the subsurface, from geologic formations that contain only natural gas and, occasionally, some associated products. But it can also originate in subsurface formations that contain oil. In the oil-bearing formations, the gas is dissolved in the oil. When the oil is produced, the gas “bubbles out” of the oil as the oil rises to the surface, and more gas bubbles out of the oil as the oil is treated and stored at the surface. In those cases, the gas behaves much like the carbonation found in soft drinks. In other cases, the gas can occur in the same formation as the oil but it occupies the top of the formation while the oil occupies the bottom of the formation. In those cases, the oil and gas have separated naturally over the millions of years they have shared the formation.



During fiscal year FY2015–2016, natural gas was produced from 55 Indian reserves in 41 First Nations. The natural gas production history chart indicates that natural gas sales from First Nation lands, by contrast to the declining oil production described above, increased once again, to just under 1.8 billion cubic metres, an increase of 4% from FY2014–2015. The vast majority of Indian interest gas is produced from Alberta First Nations, over 97.5%, with almost 72% of the total coming from one First Nation alone.

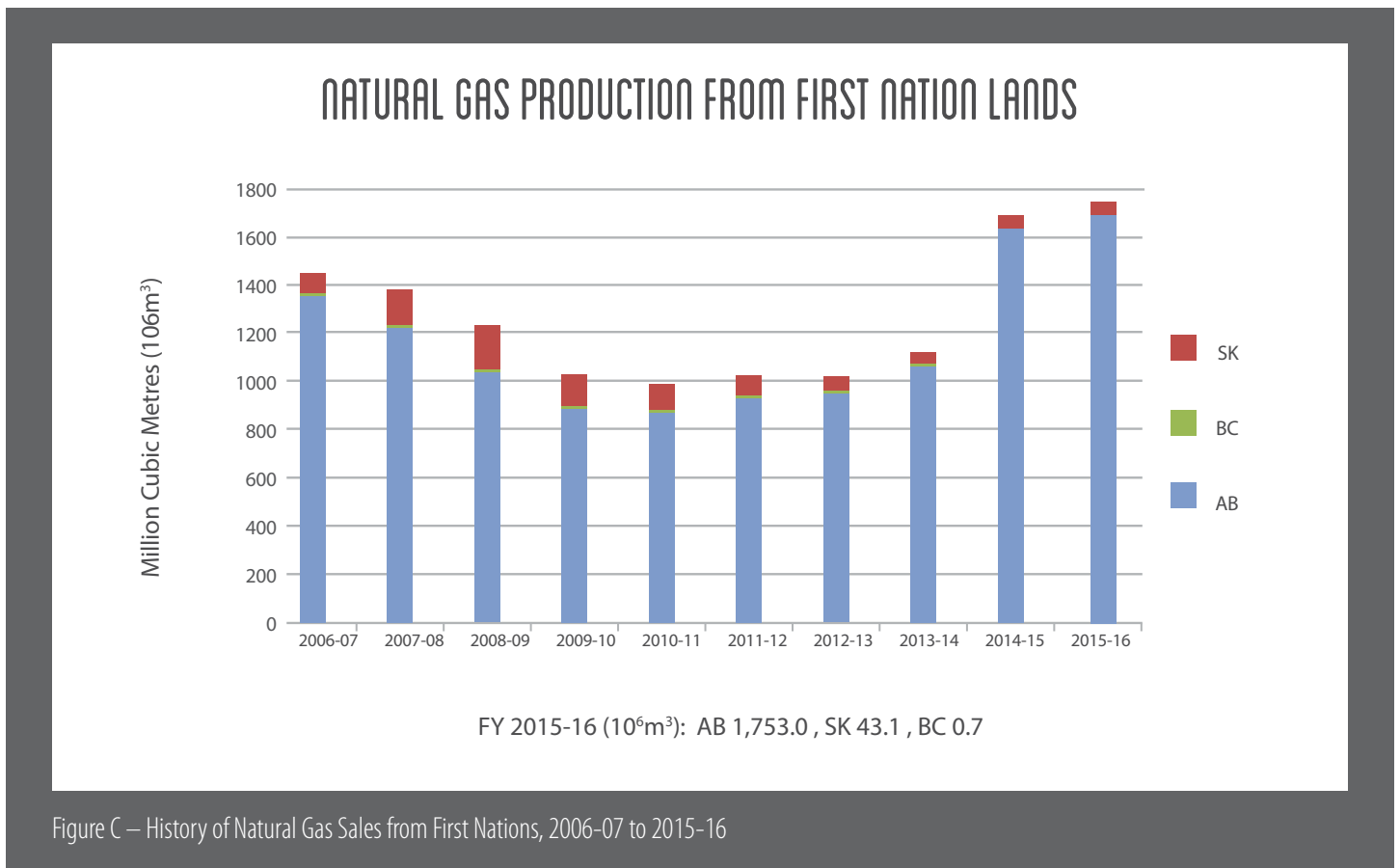


Figure C – History of Natural Gas Sales from First Nations, 2006-07 to 2015-16

It's worth noting that the production of natural gas liquids (NGLs) also increased significantly during FY2015–2016. On the average, 12.5% more NGLs by volume were produced from Indian lands in FY2015–2016 than during FY2014–2015. This continues a trend that began in FY2010–2011, and reflects industry's continuing strategy of drilling for more lucrative liquids-rich natural gas, as opposed to less economic "drier" gas elsewhere.

Once again, natural gas and NGLs production increased most significantly in Alberta, where there are more liquids-rich natural gas formations.

NATURAL GAS PRICES

Once again, as in previous years, competition with the prolific shale natural gas fields all over the United States, especially those of the northeastern American states, have caused Canadian natural gas producers to provide

gas at much lower prices than expected. The natural gas price history chart indicates that the average First Nation natural gas prices, along with the benchmark prices it is compared to, all generally declined during fiscal year 2015–16. It is slightly ironic that those prices reached their modest "peak" during the summer months, perhaps reflecting the necessity for power for air conditioning equipment. After the summer of 2015, however, the prices dropped steadily until they were approximately \$1.30 per gigajoule by the end of the fiscal year. During those last few months, North America experienced one of the warmest El Niño winters in years, which did not help prices at all.

Low natural gas prices continued, indeed dropped further, in the first few months of fiscal year 2016–17.

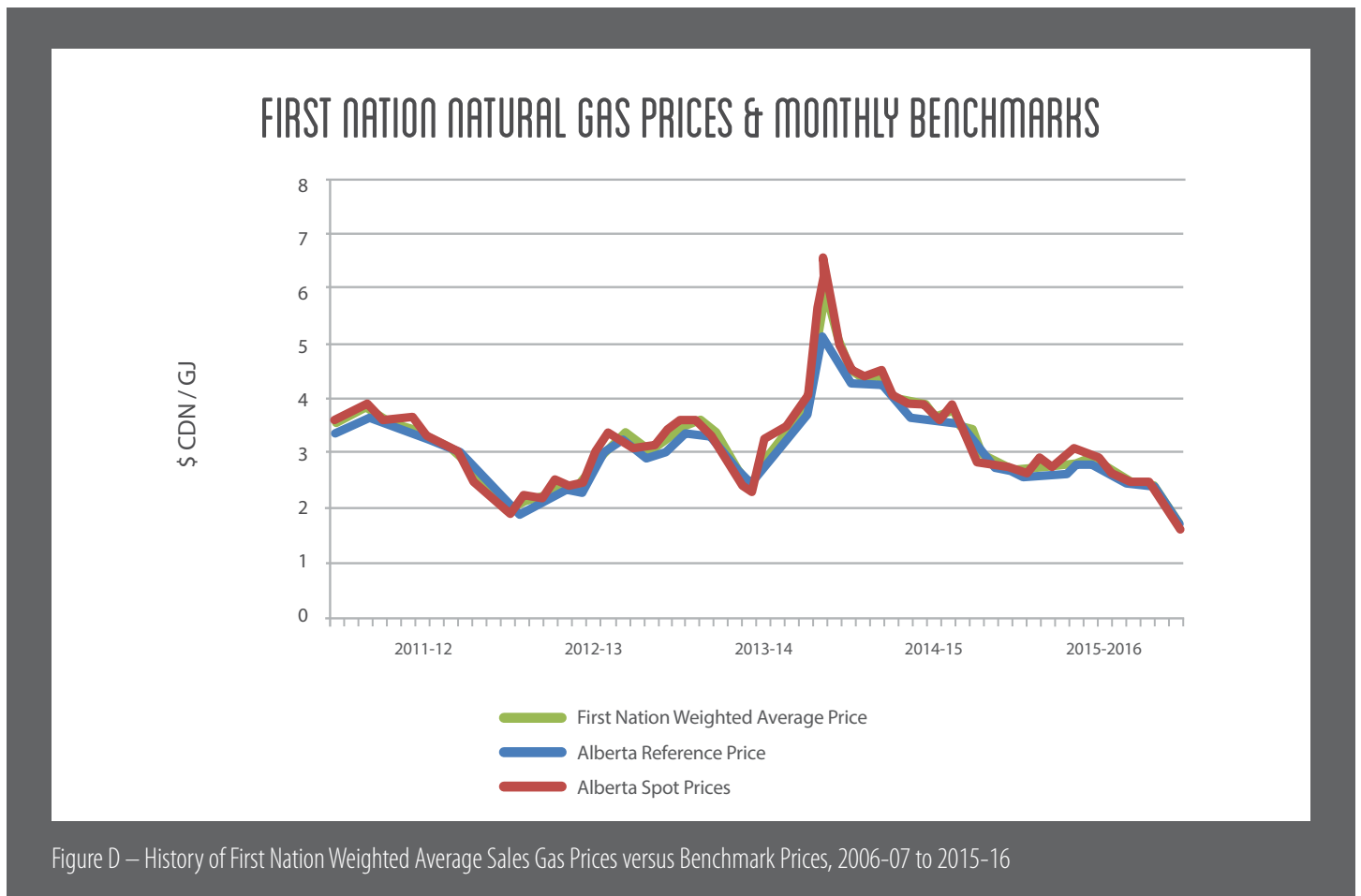


Figure D – History of First Nation Weighted Average Sales Gas Prices versus Benchmark Prices, 2006–07 to 2015–16



POLICY UNIT

- Advising on strategic policy;
- Researching and developing operational policy;
- Monitoring and preparing responses to Parliament on changes to provincial regimes;
- Consulting on operational and strategic policy changes.

The Policy Unit's primary focus has been the development of new regulations: The Department (Indigenous and Northern Affairs Canada) approved a phased approach for regulations development that allows for minimal delay for the 2009 Act to become law. This approach ensures that First Nations will benefit sooner from the improvements embodied within the IOGA, 2009 which provides new authority for IOGC in the following areas:

- Audit companies working on First Nation lands;
- Determine and advise industry of longer records retention time for auditing purposes;
- Deal more effectively with surface and sub-surface trespass;
- Protect First Nation sites of cultural importance;
- Order companies to take remedial action under certain circumstances;
- Issue fines and penalties for offences under the Act or regulations.



Furthermore, the phased approach will require updates to the *Indian Oil and Gas Regulations, 1995* – ensuring they are in congruence with the IOGA, 2009 – including new regulations in the areas of:

- Drainage and Compensatory Royalty;
- Sub-surface Tenure;
- First Nations’ Audit (a component of Royalty Management);
- Reporting Requirements to Facilitate Royalty Verification.

The remaining regulatory modules will become law once they are completed and, at the end of the process, IOGC will have jurisdiction to oversee and enforce a complete set of new, modern regulations. In consideration of the time required to accommodate input from stakeholders and the government’s regulations review and approval process, it is projected that the 2009 Act and its regulations will come into force in 2017. The Policy Unit spent much of the year working on the new regulations while consulting, engaging, and informing First Nations via the Joint Technical Committee (JTC) and presenting at the Indian Resource Council’s Annual General Meeting. Throughout the regulations development process, face-to-face meetings have taken place with individual First Nations, Tribal Councils, and Treaty areas, upon request.

The Policy Unit spent much of the year working on the new regulations while consulting, engaging, and informing First Nations via the Joint Technical Committee (JTC) and presenting at the Indian Resource Council’s Annual General Meeting.

In early FY2015–2016, the unit received and reviewed feedback from First Nations, industry, and the provinces on the 2nd Consultation Draft, Phase I regulations that were sent to all IOGC’s stakeholders as well as posted on the *First Nations Gazette* in May 2015. Accommodations were made, where appropriate, and this resulted in a special, pre-Blue-Stamped version of the regulations that was ready to share with First Nations at symposiums scheduled for March 2016 in Edmonton and April 2016 in Saskatoon. This special version was also scheduled to be posted on the *First Nations Gazette* in May 2016. Stakeholder feedback received at the symposiums was grouped under three themes: 1) technical; 2) First Nations’ governance; and, 3) First Nations consultation. Technical comments will be reviewed and accommodated, where appropriate, during the Gazette public comment period. For feedback related to First Nations’ governance or consultation, by the end of FY2015–2016, the Department began exploring options with oil and gas First Nations to establish a negotiating table for the development and consideration of potential solutions.



PLANNING AND CORPORATE SERVICES DIVISION

The Planning and Corporate Services (PCS) Division's key responsibilities include management planning, administrative policy, human resources, finance, procurement, office administration, and information technology. PCS also acts as secretariat to the IOGC Co-Management Board. The PCS division includes five groups: Contracts and Administration, Finance, Human Resources; Planning, Administrative Policy & Corporate Coordination, and Information Technology.

CONTRACTS AND ADMINISTRATION UNIT

- Contract and procurement services;
- Material management services;
- Office administration and tenant services;
- Security services;
- Records and information management, resource library and *Access to Information and Privacy Act* (ATIP) services.

FINANCE UNIT

- Corporate financial services;
- Resource planning;
- Trust fund administration;
- Accounts payable; accounts receivable.

The PCS division includes five groups: Contracts and Administration, Finance, Human Resources; Planning, Administrative Policy & Corporate Coordination, and Information Technology.

HUMAN RESOURCES UNIT

- Human resources planning and reporting;
- Employee recruitment;
- Staff relations and workplace well-being;
- Compensation and benefits;
- Training and career development;
- Classification and organizational development;
- Human resources policy development;
- Official languages.

REVENUES COLLECTED ON BEHALF OF FIRST NATIONS

During FY2015-2016, IOGC received \$63.0 million on behalf of First Nations. This included \$47.0 million as a result of oil and gas royalties, \$2.7 million in bonuses, \$12.9 million in compensation and rentals, \$315,287 in royalties from Treaty Land Entitlement 5.08 lands, and \$15,617 in interest.

Reductions in world oil prices are expected to have a significant impact on future royalty dollars.

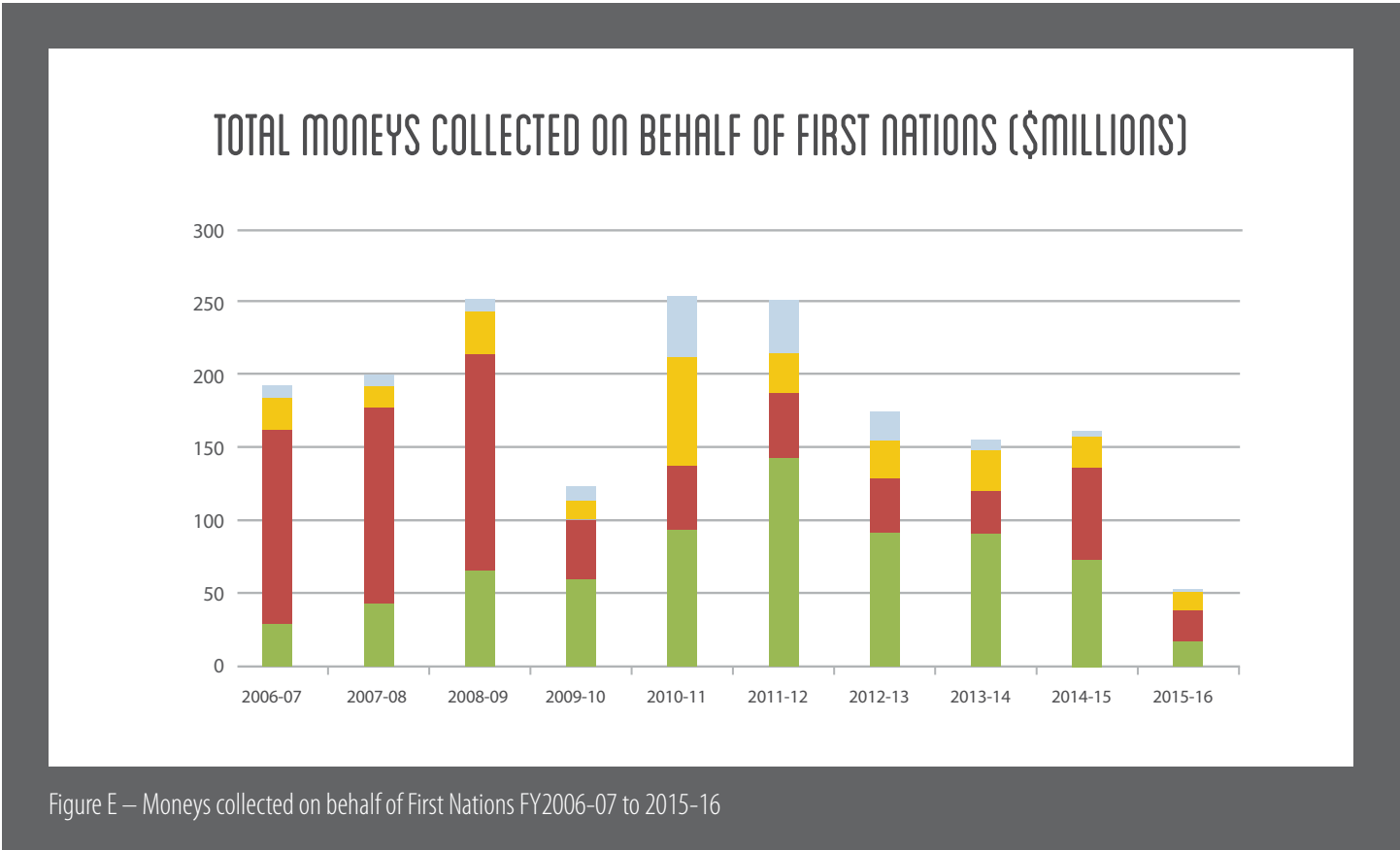


Figure E – Moneys collected on behalf of First Nations FY2006-07 to 2015-16

PLANNING, ADMINISTRATIVE POLICY & CORPORATE COORDINATION UNIT

- Annual IOGC Management Plan;
- Quarterly reporting;
- Funding arrangement administration.
- IOGC inputs into INAC plans and reports;
- IOGC Co-Management Board secretariat services;
- Implementing corporate-wide INAC and government directed initiatives and administrative policy development;
- Occupational Safety and Health (OSH);
- Management Accountability Framework (MAF).

INFORMATION TECHNOLOGY UNIT

- Database administration;
- Linkage / support to application development (RUGS), RIMS Steering Committee Governance, RIMS issue resolutions and enhancements;
- Distributed computing including end user support (via call centre), computer ever-greening, and software management;
- Shared services implementation;
- IT security;
- Technical support for video-conferencing, smart-boards and rollout of other HQ technology and systems.

IOGC employees are professional and bring their best to the achievement of our organization's mandate, vision, and values.



HUMAN RESOURCES AT IOGC

IOGC is committed to ensuring a safe and healthy work environment where all staff are valued and treated with respect, dignity and fairness.

At IOGC, we fully recognize that our people make our organization what it is. We are proud of our diverse workforce and our employment equity representation levels which exceed labour market availability. Tremendous synergy results when differing viewpoints, skill sets, and experiences are brought together. IOGC employees are professional and bring their best to the achievement of our organization's mandate, vision, and values.

IOGC strives to be a workplace of choice and this is an essential spoke on our Strategic Wheel. IOGC believes in being a learning organization and each employee has a personal annual learning plan. IOGC offers in-house French language training, numerous "lunch and learn" training sessions which focus on well-being, and annual Indigenous Cultural Awareness training. In FY2015-2016, various other in-house training was provided to all staff:

- Values and Ethics;
- Having Difficult Conversations;
- Mental Health in the Workplace;
- Performance Management;
- Informal Conflict Management;
- Workplace tools such as CIDM, RIMS, Test Track Pro, and e-mail management.

In addition, selected staff received training to obtain Certification in Change Management. IOGC offers a tuition reimbursement program for those employees pursuing professional development outside of work hours. IOGC also has available an Employee and Family Assistance program.

IOGC actively promotes work-life balance and utilizes flexible hours of work and telework, as approved through the IOGC Telework Policy. Our Pride and Recognition program is used to reward employee achievements and recognize staff with long-term service. IOGC maintains its own Committee for the Advancement of Native Employees (CANE).

IOGC's existing Resource Information Management System (RIMS) is the operational database that stores information regarding all surface and sub-surface agreements, Indian interest wells, and royalty entities.



IT — RESOURCE INFORMATION MANAGEMENT SYSTEM 1

IOGC's existing Resource Information Management System (RIMS) is the operational database that stores information regarding all surface and sub-surface agreements, Indian interest wells, and royalty entities. It supports the departmental trust fund management system with both land and royalty financial transaction records that help IOGC verify that First Nations receive the proper royalties that are due.

As a result of the decision that a new RIMS2 would focus on development of a new royalty module, use of Petrinex data exchange and the use of case management tools to track and resolve issues, there will be a continued need to maintain the current RIMS. During the year, investigative work was completed to identify required upgrades to ensure current RIMS sustainability.

IOGC STRATEGIC FRAMEWORK

EXCELLENCE IN MANAGING FIRST NATION OIL AND GAS RESOURCES



EXCELLENCE IN GOVERNANCE

First Nations Governance

Support:

- 1.1 IOGC Board
- 1.2 Indian Resource Council
- 1.3 *First Nations Oil and Gas Moneys Management Act*

IOGC Governance

- 2.1 Modern Act, Regulations and Systems
- 2.2 Effective Corporate Controls and Systems
- 2.3 Effective Corporate Planning and Reporting
- 2.4 Risk Management
- 2.5 Strong Leadership and Vision

EXCELLENCE IN OIL AND GAS MANAGEMENT

Operations & Compliance

Management of:

- 3.1 Land Tenure
- 3.2 Environmental Compliance
- 3.3 Royalties
- 3.4 Production Equity
- 3.5 Moneys
- 3.6 Compliance
- 3.7 Policy



Modern Technology

- 4.1 Enabling Tools and Technology
- 4.2 Effective Information Management Workplace of Choice

Engaged Staff – People who are:

- 5.1 Professional
- 5.2 Motivated and Inspired
- 5.3 Diverse
- 5.4 Learning and Improving

Culture

A culture that is / has:

- 6.1 Respectful and Ethical
- 6.2 Safe, Healthy and Fun
- 6.3 Learning Organization
- 6.4 Open Communication
- 6.5 Work-Life Balance

EFFECTIVE RELATIONSHIPS

Industry

- 7.1 Clear and Consistent Service Delivery
- 7.2 Consistent Policy Application
- 7.3 Industry Outreach

Government

- 8.1 Federal Alignment and Accountability
- 8.2 Federal – Provincial Collaboration

First Nations

- 9.1 First Nations Outreach
- 9.2 IOGC Board
- 9.3 Indian Resource Council
- 9.4 Information Sharing

FINANCIAL OPERATIONS FY2015-16

FUNDING – O&M, CONTRIBUTIONS & TRANSFERS

12,888,286

O&M

Salaries

7,685,072

Expenses

IOGC Board	3,278
Inventory Management	4,423
Negotiations Disposition/Amendment	4,511
Agreement Management	1,281
Compliance	785,397
Policy Management	116
Informatics	151,057
Corporate Management	516,883
Environment	44,701
Royalty	109,704
Direct Operations Support	274,110
IOGA Implementation	372,685
Admin/Strategic Policy	7,598

Total Expenses

2,275,743

Capital

146,544

Transfers

Salaries	182,329
O&M	947,584
Capital	800
Contributions	1,533,000

Total Transfers

2,663,713

Total O&M, Contributions & Transfers

12,771,072

Surplus/Deficit

117,213

REVENUES COLLECTED ON BEHALF OF FIRST NATIONS

Royalties	47,030,862
Bonus	2,725,943
Compensation and Rentals	12,916,446
Treaty Land Entitlement	315,287
Interest	15,617

Total Revenues Collected on Behalf of First Nations

63,004,155

GLOSSARY OF ACRONYMS

AB NRF	Alberta New Royalty Framework	JTC	Joint Technical Committee
ADM	Assistant Deputy Minister	LAS	Land Agreement Subsystem (RIMS1)
ADR	Alternate Dispute Resolution	LDV	Low Dollar Value
AER	Alberta Energy Regulator	LEDS	Lands and Economic Development Sector
ATIP	Access To Information and Privacy	LMRB	Litigation Management and Resolution Branch
ATR	Additions To Reserve	MAF	Management Accountability Framework
BA	Business Associate	MARS	Modern Act, Regulations and Systems
BCR	Band Council Resolution	MOS	Memorandum of Surrender
BPM	Business Process Map(ping)	NRF	Alberta New Royalty Framework
CA	Certified Accountant	OCM	Organizational Change Management
CALS	Constitutional and Administrative Laws Section (JUSTICE CANADA)	OPEC	Organization of the Petroleum Exporting Countries
CAPP	Canadian Association of Petroleum Producers	OPI	Office of Primary Interest
CCM	Cost Centre Manager	OSH	Occupational Safety and Health
CEAA	<i>Canadian Environmental Assessment Act</i>	PARF	Personnel Action Request Form
CEAR	Canadian Environmental Assessment Registry	PCS	Planning and Corporate Services Division, IOGC
CEO	Chief Executive Officer	PM-RDP	Project Manager – Regulations Development Project
CGA	Certified General Accountant	PM-RIMS2	Project Manager – RIMS2 Development Project
CMA	Certified Management Accountant	PMO-MARS	Project Management Office – Modern Act, Regulations and Systems Project
CR	Change Request (RIMS1)	PMO-OCM	Project Management Office – Organizational Change Management
CSIA	<i>Claims Settlement (Alberta and Saskatchewan) Implementation Act</i>	PMS	Performance Measurement Strategy
DIAND	Department of Indian Affairs and Northern Development	PREA	Performance Review and Evaluation Assessment
DM	Deputy Minister	PSC	Public Service Commission
DPR	Departmental Performance Report	PSECA	Public Sector Equitable Compensation Act
DSAR	Departmental Staffing Accountability Report	PWGSC	Public Works and Government Services Canada
EE	Employment Equity	RCM	Responsibility Centre Manager
EMIS	Environmental Management Information System	REN	Royalty Entity Number
EVAP	Enhanced Valuation and Audit Process	RFP	Request for Proposals
FMC	Financial Management Committee	RIAS	Regulatory Impact Analysis Statement
FNOGMMMA	<i>First Nations Oil and Gas and Moneys Management Act</i>	RIMS1 or RIMS2	Resource Information Management System
FRPA	<i>Federal Real Property and Federal Immovables Act</i>	RPP	Report on Plans and Priorities
FTE	Full Time Employee	RTA	Royalty Tax Attribute
GCA	Gas Cost Allowance	RTP	Royalty / Tax Payer
GoC	Government of Canada	RUGS	RIMS1 User Group
HQ	Headquarters (INAC)	SAP	Systems, Applications and Processes for Enterprise Projects
HR	Human Resources	SEA	Strategic Environmental Assessment
HRIS	Human Resources Information System	SMART	Specific, Measureable, Attainable, Realistic, Time-framed
IFS	Integrated Financial System	SMS	System Management Server
IM	Information Management	SO	Strategic Outcome
INAC	Indigenous and Northern Affairs Canada	TA	Task Authorization
IOGA	Indian Oil and Gas Act	TB	Treasury Board
IOGC	Indian Oil and Gas Canada	TFMS	Trust Fund Management System
IRC	Indian Resource Council	TLE	Treaty Land Entitlement
IT	Information Technology	WTI	West Texas Intermediate





Indian Oil and Gas Canada

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