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ANNUAL REPORT
2017-2018
Indian Oil and Gas Canada
(IOGC)

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Message from the CEO

To our stakeholders

In addition to Indian Oil and Gas Canada's (IOGC) daily operations, the Modern Act, Regulations and Systems (MARS) project was a key activity and organizational priority. The MARS project is comprised of three inter-related sub-projects with the following milestones targeted for completion in Fiscal Year 2017-2018 (FY2017-2018):

- Completing the gazetting and approvals processes for the Phase I or "core" regulations, then bringing both the *Indian Oil and Gas Act, 2009* (IOGA, 2009) and the Phase I regulations into force, and finally implementing and administering both the IOGA, 2009 and the Phase I regulations beginning on the day both become law;
- Continuing systems development Resource Information Management System 2 (RIMS2) project, having secured both project and expenditure approvals in May 2016; and,
- Continuing the development of the Phase II regulations in consultation with First Nations, industry and provinces.

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 2009 Act and its new regulations. The first milestone enabling the MARS project was achieved once amendments to the *Indian Oil and Gas Act* received Royal Assent in May 2009. This resulted in a new *Indian Oil and Gas Act, 2009* that will eventually replace the existing *Indian Oil and Gas Act, 1974*.

A Joint Technical Committee (JTC) – comprised of First Nation oil and gas technicians, Government of Canada officials from IOGC, Crown-Indigenous Relations and Northern Affairs Canada, and Justice Canada – worked on both the *Indian Oil and Gas Act, 2009* and have since focused on the development of its supporting regulations. The Indian Resource Council (IRC) – an Indigenous organization that advocates on behalf of some 189 member First Nations with oil and gas, or the potential for such resources – provides oversight and direction for First Nation participants of the JTC. The IRC and JTC assists IOGC by facilitating First Nations' awareness of the changes and the impacts to how future oil and gas operations will be conducted on their reserve lands.

An agreement reached in 2014 between the department and oil and gas First Nations established a phased, or staggered, approach for regulatory development. First, the 2009 Act plus a set of Phase I, or Core, regulations would become law. Next, regulations would continue to be developed and implemented until the existing *Indian Oil and Gas Regulations, 1995* have been entirely replaced by new, modern

regulations. IOGC's new legislative and regulatory regime will be implemented by modernized business practices, supported by new or enhanced information systems.

During FY2017-2018, two significant milestones were reached on the MARS project. Firstly, the new official, or Blue-Stamped, regulations were produced by Justice Canada in September 2017. It is projected that these Draft Phase I regulations will undergo the required departmental approvals processes leading to their consideration by Treasury Board for pre-publication in the *Canada Gazette*, Part I early in FY2018-2019. You may recall that Draft Phase I regulations were being readied for Treasury Board consideration in February 2017 when the process was put into abeyance as requested by First Nations. Since then, important accommodations have been incorporated into the proposed draft regulations that would provide First Nations with greater authority and control over their oil and gas resources as well as the ability to customize each of their business deals.

The second significant milestone was achieved when the procurement process identified Sierra Systems as the prime contractor for both the Royalty Management and Case Management components of the RIMS2 project. By the end of Q3, Sierra Systems began progressively assembling a team – located both at IOGC and within their own offices. An earlier procurement process had identified Fujitsu Consulting Canada as the prime contractor for Petrinex data exchange with IOGC. Petrinex is the result of a unique provincial-industry partnership that created and which maintains the recognized, authoritative source for hydrocarbon volume and pricing information. The RIMS2 project is composed of these three components: 1) Petrinex data exchange with IOGC; 2) new Royalty Management functionality; and, 3) the introduction or piloting of Case Management at IOGC. Once fully implemented, the RIMS2 project will provide two important benefits: 1) avoid potential disagreements between First Nations and their industry partners, namely in volume measurement and pricing; and, 2) improve both the accuracy and timeliness of IOGC's royalty assessment process.

On the operations side, persistent, weak world oil and natural gas prices have resulted in: 1) a movement away from dry gas plays to oil plays and liquids-rich gas plays; and, 2) fewer wells being drilled. In FY2017-2018, IOGC collected \$62,583,701 on behalf of First Nations and issued a total of 9 new surface agreements and 10 sub-surface agreements. In addition, \$77 million was invested by industry to drill and complete 45 wells on First Nations reserve lands. Greater details on IOGC's operational activities are contained within this report.

As always, the progress over the past year would not have been possible without the dedication and contributions of IOGC's staff, our partners, and our clients. Through hard work, effective partnerships, and perseverance, IOGC continues to build a strong foundation for implementing and administering its 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 the Legal Authorities Under Which It Operates

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*. Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) 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. IOGC reports to INAC via the Assistant Deputy Minister of Lands and Economic Development.

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*.

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, "Crown-Indigenous Relations and Northern Affairs Canada" or INAC.

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 member 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 Crown-Indigenous Relations 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 57 First Nations (101 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 certain described lands are to be used for a specific 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– FY2017-2018

The MARS (Modern Act, Regulations and Systems) project continued to be the organization's top priority in FY2017-2018. The MARS project itself has three major component sub-projects:

1. *Indian Oil and Gas Act, 2009* (IOGA, 2009) and Phase I Regulations Implementation – The 2009 Act and its Phase I or “core” regulations will provide the legislative and regulatory foundation for IOGC to become a modern regulator. They are both projected to “come into force” (i.e., to become law) in FY2018-2019. To support their implementation, IOGC and its staff must be ready to begin administering the new Act and regulations beginning on the first day they both become law. IOGC must also inform clients and stakeholders (First Nations and their organizations, provincial government, industry) about legislative, regulatory, operational, and technology changes.
2. Resource Information Management System 2 (RIMS2) – Efficient and effective use of information technology (IT) supports government priorities and program delivery. Informatics enhancements will help IOGC address and support anticipated regulatory changes.
3. Phase II Regulations Development – The continued active participation of IOGC, its clients, and key stakeholders in the regulations development process helps to ensure a modern legislative and regulatory regime that benefits First Nations.

Key Project #1 – *Indian Oil and Gas Act, 2009* (IOGA, 2009) and Phase I Regulations Implementation

Since this has been a multi-year effort, it is important to provide some important historic background and context.

Background and Context:

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, need to be completed to

provide a complete framework for managing oil and gas activity on First Nations reserve lands. Once it comes into force, the 2009 Act will provide many benefits for First Nations as a result of new authorities provided for 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, with reporting required every two years, on consultations and future variations in regulations from province to province.

The IOGA, 2009 provides for modernized regulations that would largely align with provincial regimes in key competitive areas. The resulting benefits would be: 1) industry working with rule sets that are familiar to them; and, 2) First Nations reserve lands being as competitive for industry investment as equivalent lands in the surrounding province.

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 IOGC, Departmental, and IRC 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.

To ensure that First Nations benefitted, with minimal delay, from the many improvements contained within the 2009 Act, in 2014 the Department proposed – with First Nations' concurrence – a phased approach for developing regulations and bringing them into force. Under such an approach, the IOGA, 2009 will come into force simultaneously with a set of Phase I, or Core, Indian Oil and Gas 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.

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 including both large and small 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/1471964522302/1471964567990>
<http://www.pgic-iogc.gc.ca/eng/1100110010002/1100110010005>

Results Achieved in FY2017-2018

An official set (sometimes referred to as the “Blue-Stamped” copy or version) of the Draft Phase I regulations were readied early in Calendar Year 2017. In February 2017, at the request of oil and gas First Nations, further work was put into abeyance until important proposed accommodations could be considered. These accommodations provide First Nations with greater authority and control over their oil and gas resources as well as the ability to customize deals according to their specific business needs. A new set of Blue-Stamped regulations were readied in September 2017. This version addressed some of the concerns raised by oil and gas First Nations and Canada proposed that the remaining issues be addressed as part of the gazetting process.

On February 8, 2018, the JTC passed a unanimous resolution for the IRC to provide written support for the Draft Phase I regulations, including the proposal for their updating during the gazetting process. The IRC Board approved the JTC recommendation at the IRC Board meeting held on March 5, 2018. The next day (March 6, 2018), this was unanimously ratified by IRC member First Nations at the IRC Annual General Meeting. The IRC sent a letter dated March 12, 2018 to the Department confirming their support. As a show of good faith, and to ensure continued close co-operation and collaboration, in early March 2018, the IRC’s JTC Program Manager, Mr. David Shade, was asked to represent the IRC, and its membership, as a permanent member of IOGC’s MARS Project Steering Committee.

Once it was agreed by all parties that any further accommodations would be made during the gazetting process, the Draft Phase I regulations began departmental approvals. In early FY2018-2019, the approvals process will be presented before Treasury Board for consideration and approval for pre-publication in the *Canada Gazette*, Part I. The remaining First Nations’ accommodations will be made and will appear in the Final Phase I regulations and once again presented to Treasury Board for consideration and approval for publication in *Canada Gazette*, Part II. Shortly thereafter, both the 2009 Act and the Final Phase I regulations would both become law.

Key Project #2 – 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; and,
- Reduce red tape and streamline procedures.

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.

b) Informatics Enhancements

A key deliverable in the Informatics Enhancements activities will include an information management activity to document all the business processes that support or are beneficiaries of the enhanced system development.

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 are known as the “RIMS2 Project”. The RIMS2 Project is a joint initiative between IOGC and the Information Management Branch of Crown-Indigenous Relations and Northern Affairs Canada. In May 2016, the RIMS2 Project received both Project and Expenditure Approvals from Treasury Board.

The proposed RIMS2 Project provides for IOGC membership and data exchange with Petrinex (**PET**roleum **IN**formation **EX**cellence). Petrinex is the result of a unique provincial-industry partnership that created, and which currently operates and maintains, the 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.

A Memorandum of Agreement (MOA) with the Province of Alberta was drafted and signed in year-end of FY2016-2017.

The proposed RIMS2 Project solution includes:

- Petrinex data exchange with IOGC;
- New Royalty Management functionality; and,
- Introduction of Case Management Capability.

The procurement process began shortly after Treasury Board provided both Project and Expenditure Approvals. A contract by Public Services and Procurement Canada (PSPC)

was issued in November 2016 to Fujitsu Consulting Canada Ltd. to begin development work within the Petrinex environment.

Results Achieved in FY2017-2018:

In terms of Petrinex data exchange with IOGC, the project was on target to deliver functionality according to the following forecasted schedule:

1. Access and exchange of Saskatchewan data – June 2018
2. Access and exchange of Alberta data – October 2018
3. Access and exchange of data related to Gas Cost Allowance – January 2019.

With respect to both the Royalty Management and the Introduction of Case Management components of the RIMS2 project, a significant project milestone was achieved when the procurement process identified Sierra Systems as the prime contractor for both these components of the RIMS2 project. By the end of Q3, Sierra Systems began progressively assembling a team – located both at IOGC and within their own offices. Workshop sessions with IOGC subject matter experts began in Q4. Initial work focused on the planning for and development of the Royalty Calculation Engine, defining the data needs and sources for data used in the royalty schema's as defined in the leases and the database to support this data.

Key Project #3 – Phase II Regulations Development

A staggered or phased approach to regulations development means that regulations will be progressively developed and brought into force until the existing 1995 Regulations have been entirely replaced by new, modern regulations.

Results Achieved in FY2017-2018:

IOGC has been working with the JTC on regulations beyond those contained in the Phase I package of regulations for a number of years. Progress has been impacted by limited access to the same subject matter experts required to: 1) finish work on the Phase I regulations and preparing to bring them, together with the 2009 Act, into force; and, 2) organizational readiness activities so IOGC and its staff are prepared to implement and to administer the 2009 Act and Phase I regulations, beginning on the first day they both become law.

Regulatory drafting instructions were shared by IOGC with the JTC for:

1. The Moneys Management module: and,
2. The Surface Tenure module

JTC provided feedback on the Money Management module's proposed regulatory drafting instructions in June 2017 and on the Surface Tenure module's proposed

regulatory drafting instructions in December 2017. IOGC continues to meet internally to review the proposed changes and is preparing to respond formally to JTC.

Project Management Office (PMO) and Organizational Change Management (OCM)

Project Management Office (PMO)

The Modern Act, Regulations, and Systems (MARS) project was initiated in FY2010-2011 to guide the modernization of the *Indian Oil and Gas Regulations, 1995*. In FY2017-2018, organizational readiness for the implementation of the 2009 Act and its new regulations was added under the aegis of the MARS Project Management Office. In keeping with its Implementation Project Plan, IOGC is readying itself to begin administering and enforcing the 2009 Act and the Phase I regulations beginning on the day they both become law. IOGC's staff have been preparing for implementation by developing and / or modifying forms, updating and / or creating procedures, adapting and / or changing information systems, developing operational policies and conducting training.

Organizational Change Management (OCM)

In 2017-18, the Organizational Change Management (OCM) strategy, in conjunction with the Project Management Office (PMO), became a part of IOGC's three components of the MARS project, instead of a stand-alone project as it had been in the past.

Since early FY2015-2016, IOGC has been using the Government of Canada's standard Prosci® Methodology and Tools to build internal change management capacity so IOGC and its staff are better-equipped to implement both internally and externally-driven changes.

Change management activities and OCM support has primarily focused on the MARS project but also included externally-driven changes like the transition to the Government of Canada's new official Electronic Document and Records Management Solution known as GCdocs. Change management activities and support for the MARS project components were focused on the transition to administration and enforcement of the new Act and regulations and development of the RIMS2 system. The resulting benefit is that IOGC and its stakeholders should be able to adapt to the 2009 Act and its new regulations and the RIMS2 system with minimal disruption.

Also in FY2017-18, IOGC began the government's procurement process to secure a contractor to provide long-term change management services and support to IOGC given the magnitude and multitude of projects affecting IOGC staff and stakeholders. Prior to the end of the fiscal year, a bidder was recommended for contract award pending security clearance.

Operations

IOGC has four directorates that administer and manage the exploration and development of oil and gas resources on First Nations reserve lands:

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

1. Executive Directorate

The Executive Directorate 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 Co-Management Board; and,
 - Organizational Change Management.

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

a. 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

b. 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 IOGC Annual Report, the quarterly MARS Newsletter, and Information Letters or Notices on IOGC's website), and correspondence on IOGC activities;
- Maintaining IOGC's Internet and Intranet websites; and,
- Assisting IOGC's directorates with their communications requirements.

c. Project Management Offices – MARS and 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.

2. Lease and Royalty Administration Directorate

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

a. 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 Nations reserve lands.

The Negotiations, Contracts, and Research Unit; by working diligently with all stakeholders, was able to continue to implement competitive agreements as compared to provincial royalty regimes. The Negotiations, Contracts, and Research Unit was able to ensure that 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.

The total number of agreements issued varies from year to year; however, with the impact of the industry slow-down, in FY2017-2018, IOGC issued 10, sub-surface agreements, five less than last year. The total number of these agreements under IOGC administration was 651, comprising 260,897.55 hectares.

In FY2017-2018, IOGC staff performed 702 registrations into the Indian Lands and Registration System (ILRS), this is a major increase from 395 the preceding year. The increase is due to a focused approach to clear a backlog of registrations.

b. Lease Administration Unit

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

- Administering surface and sub-surface leases;
- Verifying and maintaining corporate information and records; and,
- Registering IOGC transactions in ILRS.

In FY2017-2018, IOGC issued 9 surface agreements. When oil and gas prices are strong, IOGC typically processes between 145-450 agreements in a 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 requests for new contracts coupled with a substantial increase in assignments and surrenders.

In FY2017-2018, surface land area under disposition amounted to 10,603 hectares. This is a decrease of 29 hectares from the previous 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 FY2017-2018, the total number of surface agreements under IOGC administration was 4,948. This is a slight decrease of 29 from the previous year. The total number of agreements varies 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.

c. 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. The Royalties Unit is responsible for:

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

d. Geology Unit

IOGC's Geology Unit is responsible for:

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

Drilling on First Nations reserve lands continued to reflect national averages, with a modest increase in wells spudded in FY2017-2018 from the previous year. Industry reported 47 wells drilled on First Nations reserve lands; 28 oil wells, 18 gas wells, one D&A and the remainder reported as steam or water injector wells. 40 drills were licensed as horizontal wells. Additionally, 18 wells were downhole abandoned with all but 6 cut and capped. 181 leases were reviewed as their terms approached expiry. The result was the continuation of 54,502 hectares of land and the termination of 11,425 hectares.

e. Treaty Land Entitlement (TLE) Support Unit

The TLE Support Unit continues to provide TLE process guidance and oil and gas rights advice to First Nations engaged in Additions to Reserve (ATR) processes as a result of TLE. This Team supports:

- ☐ Verification of legal title and disposition information for surface and mineral agreements on status of minerals on designated TLE;
- ☐ Drafting and issuance of surface and sub-surface Replacement Agreements (i.e., federal agreements, applicable on reserve lands, to replace existing agreements issued under provincial jurisdiction);
- ☐ Ensuring all ATR, specifically TLE stakeholders, are informed and understand IOGC's role in the ATR process.

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 reserve lands 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 Replacement Agreements for third party interests that existed prior to the lands becoming reserve lands pursuant to a TLE claim. IOGC replaces agreements that are oil and gas-related, typically from provincial title and jurisdiction, which can then be administered according

to the *Indian Oil and Gas Act* and its regulations once the lands become reserve lands under federal title.

In FY2017-2018 no new TLE claims were initiated at IOGC. As of March 31, 2016, there were 458 active Replacement Agreements being administered by IOGC on behalf of several First Nations who have exercised TLE rights. The revised work plan for the TLE Support Unit has identified another 245 Replacement Agreements that have been executed and are awaiting Ministerial Order for creation of additional reserve lands and a further 194 TLE transactions are being worked on, at various stages of completion.

Special Subject: Band-Owned Oil and Gas Companies

Many First Nations are no longer passive recipients of oil and gas royalties from 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 (BOCs). 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 FY2017-2018, there were 17 BOCs holding 173 sub-surface agreements comprising 67,911 hectares (26% of all lands managed by IOGC) of First Nations reserve lands.

3. Regulatory Compliance Directorate

The Regulatory Compliance Directorate 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, to take appropriate action to address instances of non-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 directorate contains five units: Environment; Resource Analysis and Compliance; Technical Business Support; Review; and, Policy.

a. Environment Team

IOGC provides environmental stewardship for the complete lifecycle of upstream oil and gas activities on First Nations reserve lands.

Before approval is granted to a company to conduct surface oil and gas activity, a thorough environmental review is completed. The types of activities that require an

environmental review include exploratory or seismic work, drilling for oil and gas, flow lines, service wells, remediation and access roads. The Environment Team ensures that potential environmental impacts are mitigated before IOGC and the First Nation approve the application.

After construction of surface facilities and sites, industry compliance with environmental requirements is monitored during their operation. The Team reviews environmental audits that companies are required to submit and also perform field inspections when necessary. The 2017-2018 fiscal year was especially challenging for field inspections due to the increase in industry bankruptcies and insolvencies as IOGC endeavoured to perform additional inspections on those sites to ensure they were left in a safe and secure manner.

After operations of a surface facility or site have ceased, companies must abandon wells, remove facilities, conduct remediation if necessary, and reclaim the area. The Environment Team approves the surrenders of surface agreements following confirmation, by inspection with First Nation representatives, that reclamation is satisfactory.

b. Compliance and Enforcement

- Providing litigation support, including assisting Justice Canada and the departmental Litigation Management Resource Branch (LMRB) with legal actions;
- Establishing a strategy for Compliance and Enforcement Framework: Ensuring readiness for implementation when the *Indian Oil and Gas Act, 2009* and the Phase I regulations come into force.
- Monitoring quality assurance of instruments that have compliance / enforcement impacts

c. 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;

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 forecasting oil and gas activity and projected revenues from such activity 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 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 where 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. Once such a determination is made, IOGC will prepare and issue a drainage notice to the relevant lessee(s) of the reserve lands in consultation with the band council. If the Unit believes that drainage may be occurring yet the adjacent reserve lands are not leased, then IOGC's Negotiations, Contracts, and Research 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 FY2016-2017, the unit completed 42 revenue forecasts, 30 for First Nations in Alberta and 12 for First Nations in Saskatchewan. The forecasts remain the same for FY2017-2018. Usually each revenue forecast is comprised of two scenarios, a base case and a low case, and separate forecasts are provided for each. On occasion, a high case scenario may also be provided for a First Nation where warranted.

d. Technical Business Support Unit

The Technical Business Support (TBS) Unit contributes to the Regulatory Compliance Directorate mandate by:

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

The TBS unit responds to many and varied requests from IOGC business units, First Nations, other government agencies, and the oil and gas industry. These requests include: modifications to royalty structures; consideration of financial issues; coordination and collaboration in federal and provincial initiatives; support for specific claims; investigation into existing and emerging issues; provision of technical data, information, and advice to support royalty assessment; and, initiating and supporting compliance actions.

During FY2017-18 TBS staff conducted several field inspections for the purposes of ensuring safe operations and complying with oil and gas production measurement, allocation, and reporting requirements. The TBS Unit responded to two requests for royalty changes, concluded one special investigation while initiating three more, and recommended changes to provincial directives as a result of its investigations.

The Unit also provided technical support and advice with respect to proposals from two First Nations to assume operation of wells on their lands and to one First Nation to abandon operation of some wells. The Unit provided support to other IOGC and INAC units with respect to an on-going joint First Nation – IOGC initiative to plug orphan wells in Ontario. The TBS Unit initiated over 50 desk reviews to verify and analyze oil and gas prices as submitted by producing companies and collaborated with other IOGC business units to provide technical and historic information with respect to a significant claim affecting a First Nation.

Oil Production from First Nations Reserve Lands

Crude oil is found in geological formations hundreds or thousands of metres deep in the subsurface of the earth. Most of the formations appear to be “solid rock” but they contain oil in generally very small openings (called “pore spaces”) within the otherwise solid-looking rock formations. The oil also contains natural gas dissolved in it, like the gases that appear in soda pop when a bottle cap is removed. When the oil is produced, the gas “bubbles out” of the oil as it rises to the surface and even more gas “bubbles out” as the oil is treated and stored at the surface.

During FY2017-2018, oil was produced from 32 reserves belonging to 25 First Nations. The oil production history chart indicates that oil production from First Nations reserve lands decreased by about 16% compared to the previous year. Total First Nations oil production in FY2017-2018 was approximately 674,000 cubic metres, down from 807,000 the year before. As in previous years, most of the oil produced from First Nations is heavy oil.

The majority of FY2017-18 oil production, approximately 65%, came from First Nations in Saskatchewan, about the same percentage as FY2016-17. As in past years, it is worth noting that over 90% of Saskatchewan First Nation oil production comes from just one First Nation.

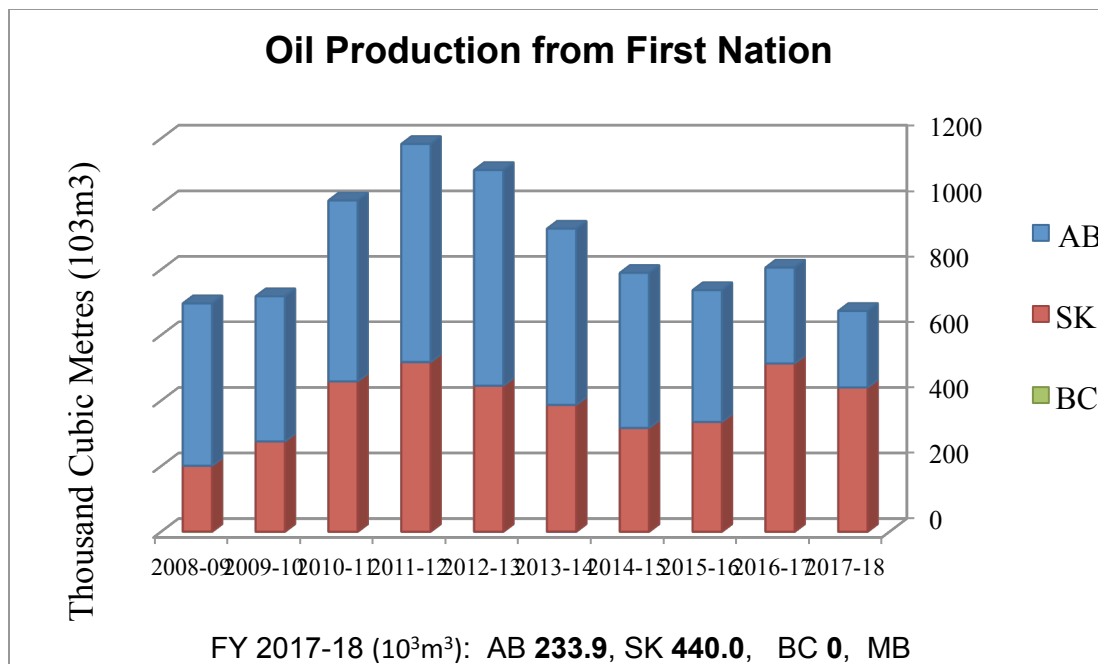


Figure A – History of Oil Production from First Nations reserve lands, 2008-09 to 2017-18.

Oil Prices

As reported in previous years, prices for oil, natural gas and natural gas products fluctuate according to a wide variety of influences. Canadian prices are influenced principally by North American markets, US drilling and production levels, and US crude oil inventories. Yet they also feel the effects of geo-politics and geo-economics.

However, during the latter part of FY2017-2018, the price of heavier Canadian crude oils – most of the oil production from First Nations has characteristics between heavy oil and bitumen – dropped disproportionately while prices for lighter crude oils rose. This gave rise to the serious concerns expressed over “the differential” between higher light crude prices – exemplified by West Texas Intermediate (WTI) oil - and lower heavy crude prices – in this case, Western Canada Select (WCS).

The reasons for the price differential usually stem from the differences in oil density (called “gravity”) and other characteristics, like sulphur content, acid content and the presence of other contaminants, as well as routine pipeline, storage and dilution costs.

In the latter part of FY2017-18, other factors came to bear. For example, some refineries in the US were shut in for maintenance or upgrading and there were pipelines which suffered temporary breakdowns or were also upgraded. This led to a glut of heavy oil in Canada, which has no other market or transportation options, and a severe depression of prices.

So a “normal” differential of approximately \$10 to \$12 US per barrel ballooned to as high as \$30 per barrel. This created such concerns in industry, government and First Nations, that provincial and federal government agencies have become active, all

searching for a solution. Perhaps one or more solutions can be found during FY2018-2019, or thereafter.

Once again, oil and gas producing companies, as well as oilfield service companies, are facing difficult financial circumstances. Several have gone out of business, cut back capital expenditures and other operations or have been acquired by competitors. This year, as in the past few years, most industry experts believe that oil prices will not reach 2014 price levels, for example, for many years, if ever.

Meanwhile, the following graph indicates that average prices for First Nations' oil continue to track between heavy oil prices and bitumen prices. This is appropriate because the "average" First Nation oil has properties that place it between those oil varieties.

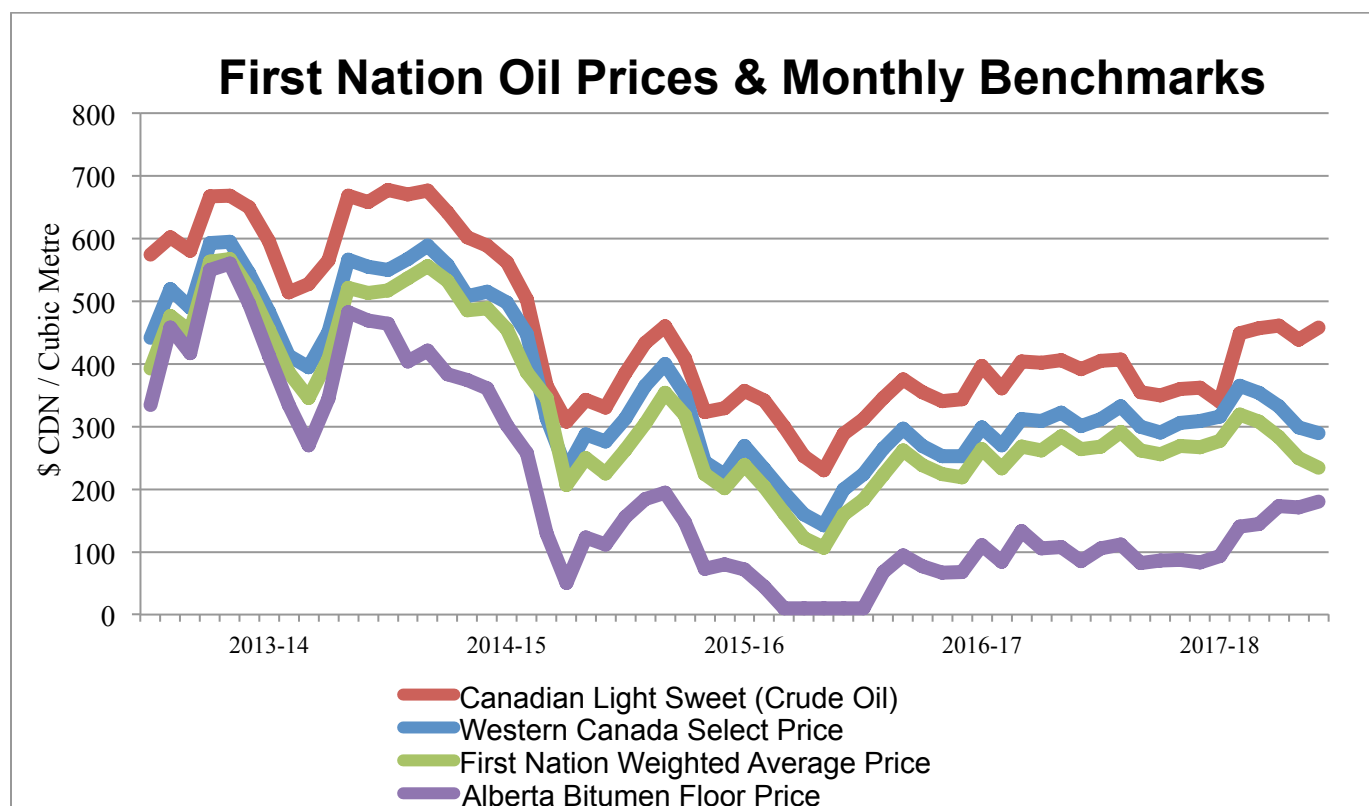


Figure B – History of First Nation Weighted Average Oil Prices versus Benchmark Prices, 2013-14 to 2017-18

Natural Gas Production from First Nations Reserve Lands

Natural gas, as with oil, also comes from geological formations hundreds or thousands of metres down in the subsurface. Again, the formations appear to be "solid rock" but they contain natural gas in small pores spaces within the otherwise solid-looking rock formations. Some formations contain only natural gas and, occasionally, some contain natural gas plus some associated products, like ethane, propane, butane, and even some hydrocarbon liquids. As mentioned earlier, natural gas 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 in the subsurface and at the surface as the oil is treated and stored.

During fiscal year FY2017-2018, natural gas was produced from 49 reserves belonging to 35 First Nations. The natural gas production history chart indicates that natural gas sales from First Nations reserve lands, in contrast to the declining oil production described above, increased by about 11% from FY2016-17. Total First Nation gas production was just above 1.7 billion cubic metres. The vast majority of Indian interest gas is still produced from Alberta First Nations, slightly over 98%.

It's worth noting that the production of natural gas liquids (NGLs) in FY2017-2018 increased by about 37% over FY2016-2017. This is slightly disproportionate to the 11% natural gas production increase mentioned above. Natural gas and natural gas liquid production declined on Saskatchewan First Nation lands, but increased on Alberta First Nation lands. This indicates that companies will continue to drill for natural gas and the more lucrative accompanying natural gas liquids even in times when natural gas prices are very low. Otherwise, they prefer to drill for oil.

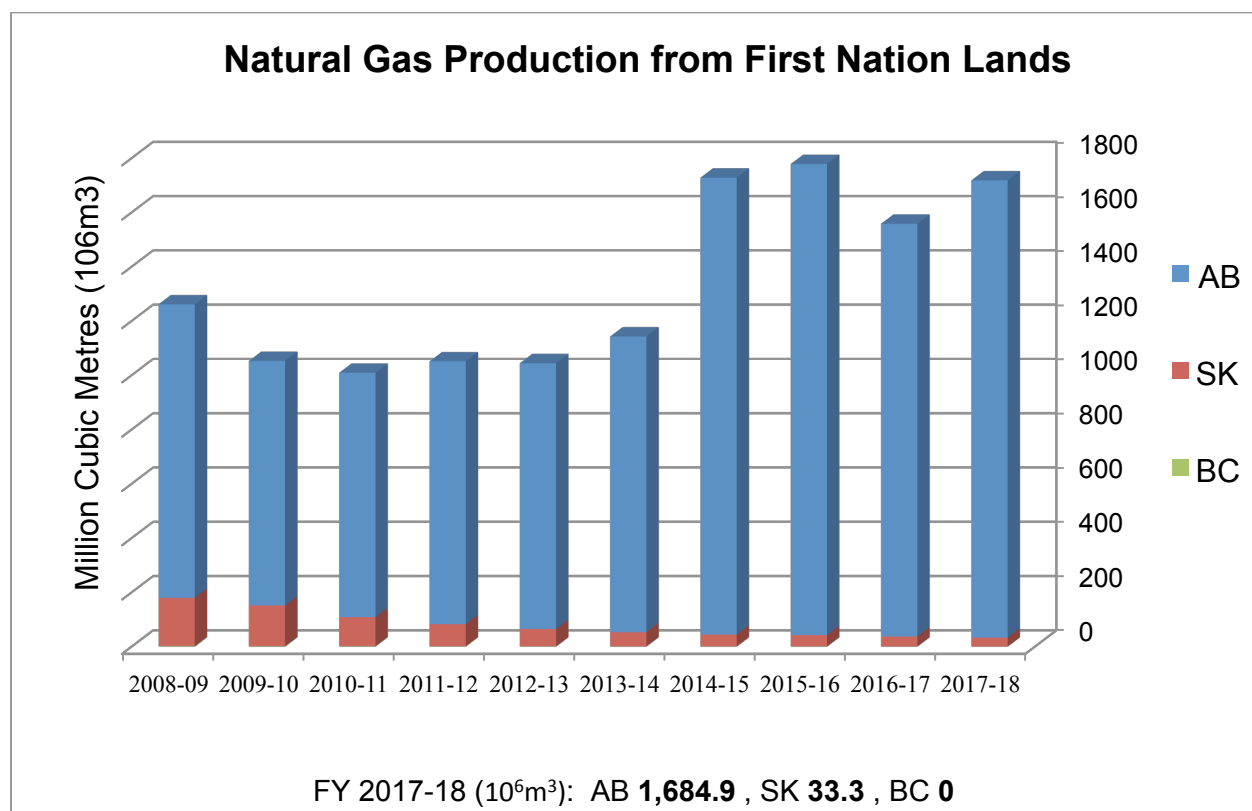


Figure C – History of Natural Gas Sales from First Nations, 2008-09 to 2017-18

Natural Gas Prices

There are currently no other market options at present, therefore, Canadian natural gas producers must continue to compete for the Canada and US market share against the prolific US natural gas field developers who have greater access to transportation

infrastructure with less resistance to expansion. During early FY2017-18, natural gas prices dropped dramatically, causing some operators to shut in their production and others to sell gas properties or even go out of business. The natural gas price history chart indicates that the average FY2017-18 First Nation natural gas prices, along with the benchmark prices they are compared to, dropped to the near-record lows of approximately \$1.00 per gigajoule experienced previously, near the end of FY2015-16. Prices rallied slightly near the end of FY2017-18 but they still remain very low for Canadian producers. The somewhat higher prices quoted in the media every day do not reflect what Canadian producers get, it only reflects what American producers get because, among other factors, their fields are closer to their markets.

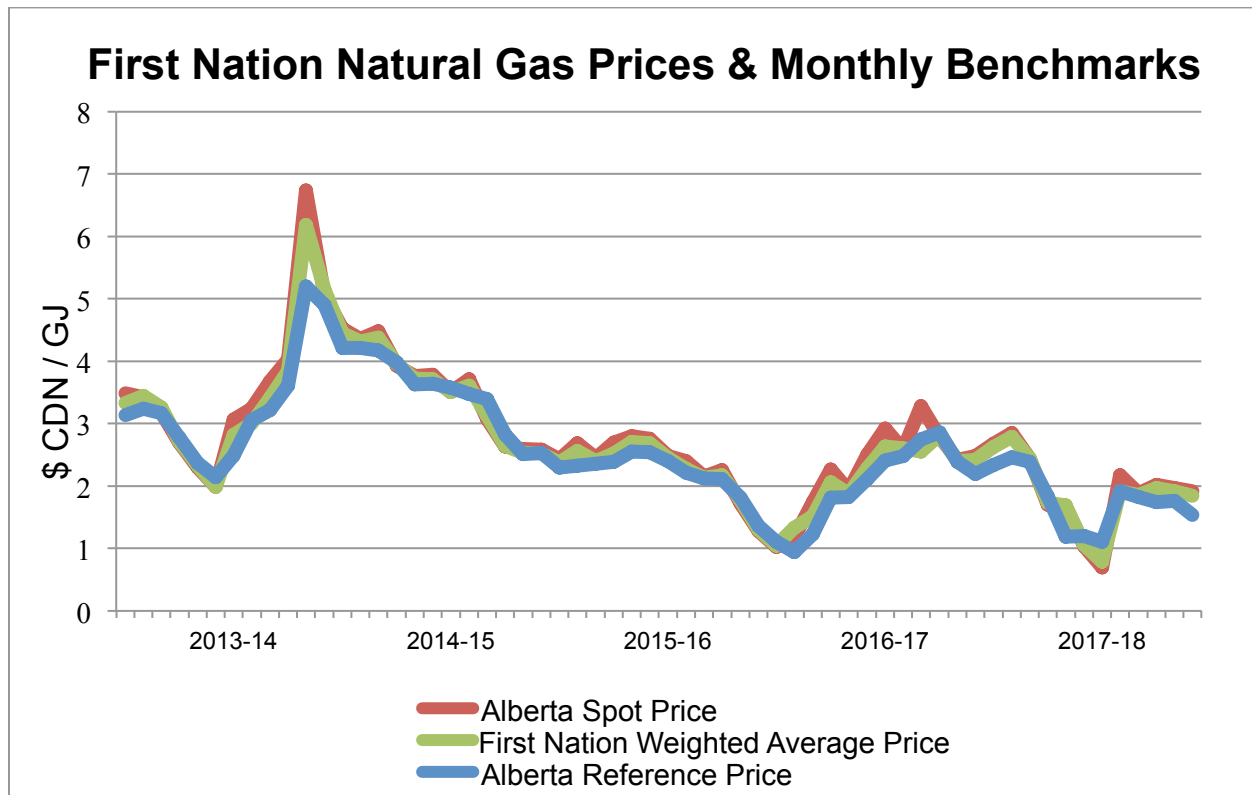


Figure D – History of First Nation Weighted Average Sales Gas Prices versus Benchmark Prices, 2013-14 to 2017-18

e. Policy Unit

Regulatory Compliance's Policy Unit is responsible for:

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

The Policy Unit's primary focus has been the development of new regulations. The Department adopted a phased approach for regulations development designed to have the 2009 Act become law sooner than if a full set of regulations were completed. 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 to:

- ☐ Audit companies working on First Nations reserve 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; and,
- ☐ 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 2019. The Policy Unit spent much of the year working on the new regulations while consulting, engaging, and informing First Nations. Throughout the regulations development process, upon request, face-to-face meetings have taken place with individual First Nations, Tribal Councils, and Treaty Areas, as well as with the Joint Technical Committee (JTC) and at the Indian Resource Council (IRC) Annual General Meeting where updates were presented.

4. Planning and Corporate Services Directorate

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

a. Contracts and Administration Unit

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

b. Finance Unit

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

c. 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.

d. Planning, Administrative Policy & Corporate Coordination Unit

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

e. Information Technology Unit

- Database administration;
- Technical support to application development, RIMS1 Steering Committee governance,
- Distributed computing including end user support (via call centre), hardware and software management;
- Shared Services Implementation;
- IT security;
- Technical support for video-conferencing, smart-boards and rollout of other HQ technology and systems.

Revenues Collected on Behalf of First Nations

During FY2017-2018, IOGC received \$62.6 million on behalf of First Nations. This included \$49.3 million as a result of oil and gas royalties, \$991,688 in bonuses, \$12.0 million in compensation and rentals, \$208,054 in royalties from Treaty Land Entitlement 5.08 lands, and \$13,224 in interest.³

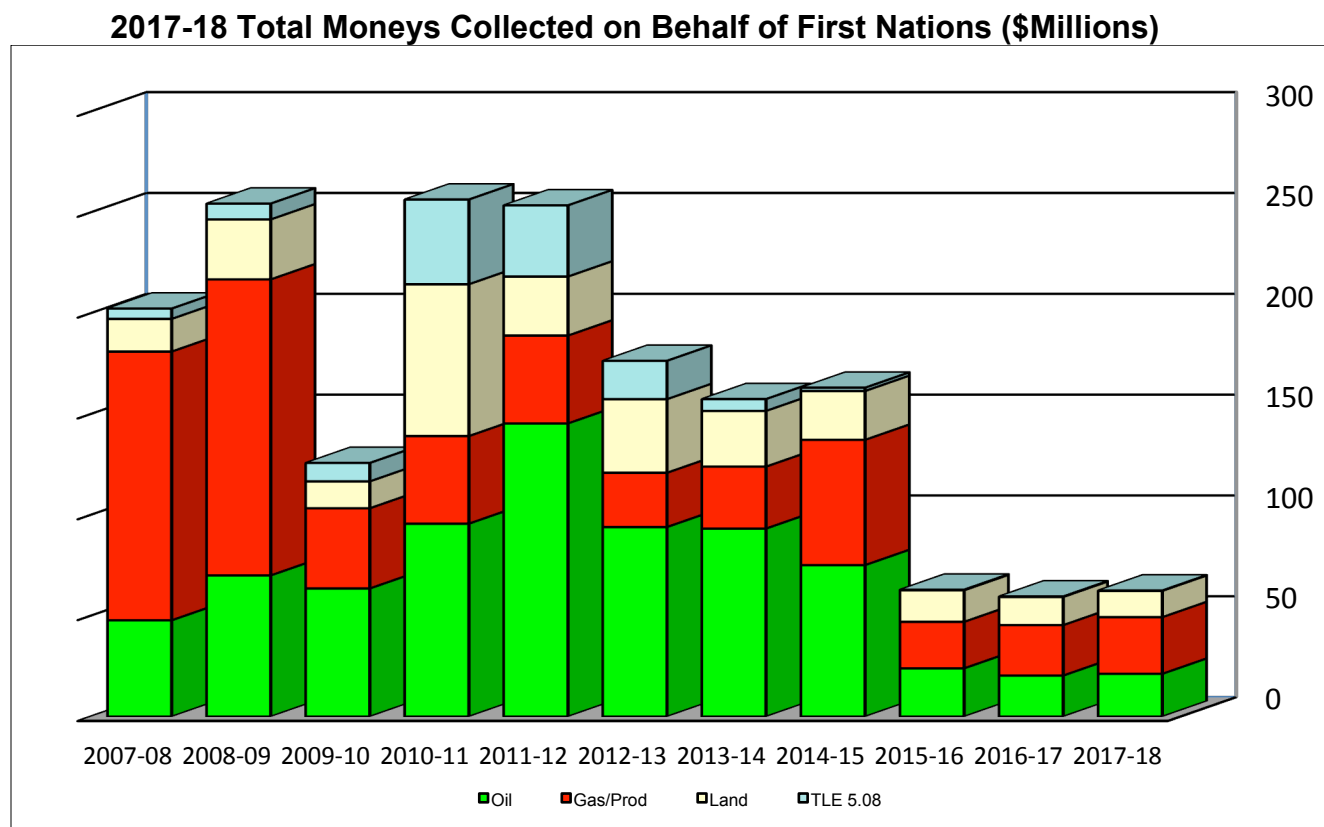


Figure E – History of Moneys collected on behalf of First Nations FY2007-08 to FY2017-18

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.

³ World oil and gas prices and oil differentials are expected to have a continued impact on future royalty dollars.

IOGC strives to be a workplace of choice and this is an essential spoke on our Strategic Wheel (see following page). IOGC believes in being a learning organization and each employee has a personal annual learning plan. There is a tuition reimbursement program for those employees pursuing professional development outside of work hours. IOGC offers in-house French language training, soft skills training (which in 2017 – 2018 focused on workplace well-being and mental health), and annual Indigenous Cultural Awareness training. IOGC also has 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).

IT - Resource Information Management System 1

IOGC's existing Resource Information Management System (RIMS1) 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. During 2017-2018, work was initiated to upgrade RIMS1 to Oracle 12.

A new RIMS2 is under development for royalty management using Petrinex data exchange and case management tools. RIMS2 will replace only the royalty module of the current RIMS.

IOGC STRATEGIC FRAMEWORK

Excellence in managing First Nation oil and gas resources

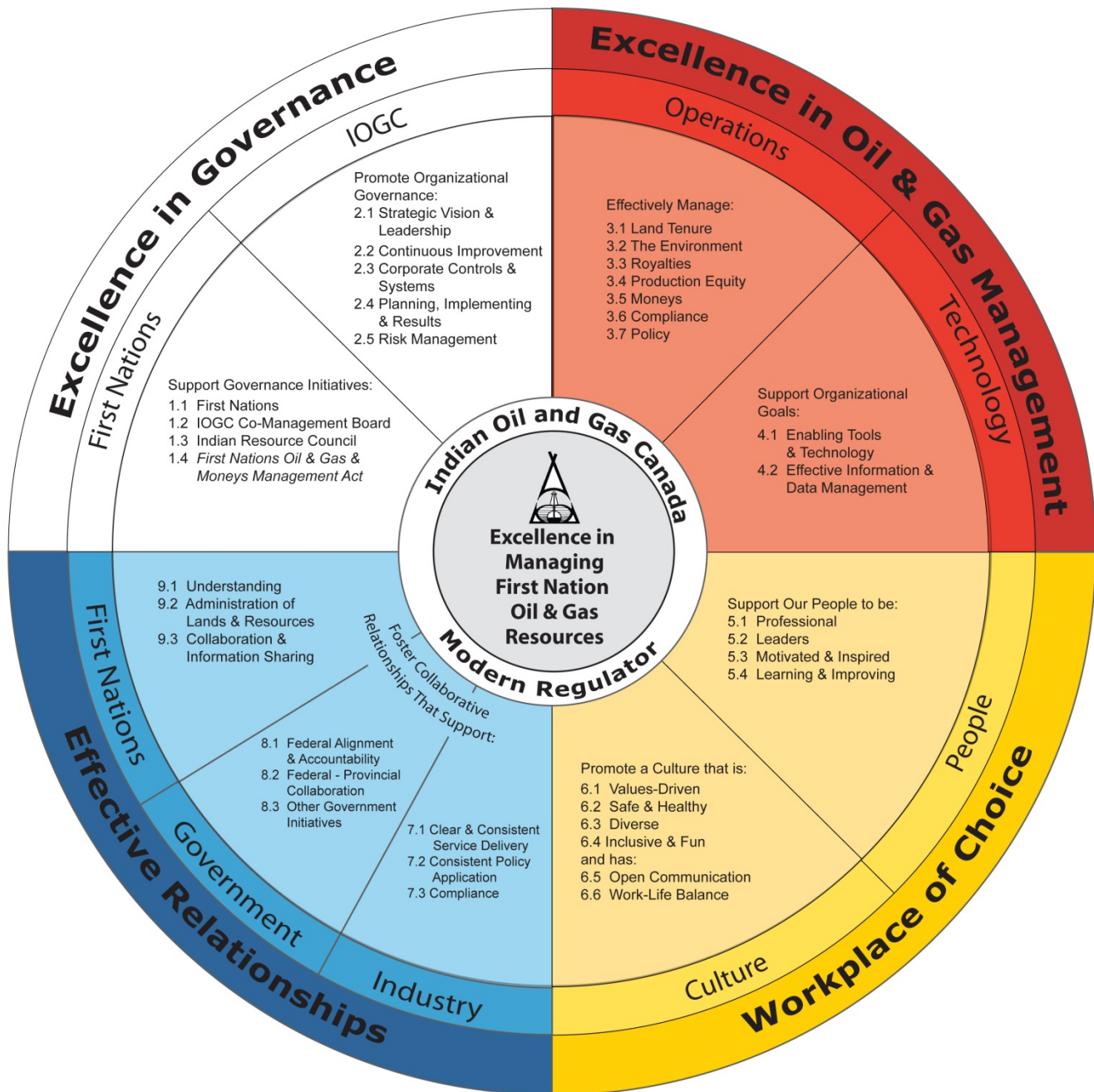


Figure F – Excellence in managing First Nation oil and gas resources

Excellence in Governance

First Nations

Support Governance Initiatives:

- ☐ 1.1 First Nations
- ☐ 1.2 IOGC Co-Management Board
- ☐ 1.3 Indian Resource Council
- ☐ 1.4 *First Nations Oil & Gas & Moneys Management Act*

IOGC

Promote Organizational Governance:

- ☐ 2.1 Strategic Vision & Leadership
- ☐ 2.2 Continuous Improvement
- ☐ 2.3 Corporate Controls & Systems
- ☐ 2.4 Planning, Implementing & Results
- ☐ 2.5 Risk Management

Excellence in Oil & Gas Management

Operations

Effectively Manage:

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

Technology

Support Organizational Goals:

- ☐ 4.1 Enabling Tools & Technology
- ☐ 4.2 Effective Information & Data Management Workplace of Choice

Workplace of Choice

People

Support Our People to be:

- ☐ 5.1 Professional
- ☐ 5.2 Leaders
- ☐ 5.3 Motivated & Inspired
- ☐ 5.4 Learning & Improving

Culture

Promote a culture that is:

- ☐ 6.1 Value-Driven
- ☐ 6.2 Safe & Healthy
- ☐ 6.3 Diverse
- ☐ 6.4 Inclusive & Fun
- ☐ 6.5 Open Communications
- ☐ 6.6 Work-Life Balance

Effective Relationships

Foster Collaborative Relationships That Support:

Industry

- ☐ 7.1 Clear and Consistent Service Delivery
- ☐ 7.2 Consistent Policy Application
- ☐ 7.3 Compliance

Government

- ☐ 8.1 Federal Alignment and Accountability
- ☐ 8.2 Federal – Provincial Collaboration
- ☐ 8.3 Other Government Initiatives

First Nations

- ☐ 9.1 Understanding
- ☐ 9.2 Administration of Lands and Resources
- ☐ 9.3 Collaboration & Information Sharing

Financial Operations FY2017-18

Funding - O&M, Contributions & Transfers	15,913,064
O&M	
Salaries	8,422,554
Expenses	
IOGC Board	4,696
Inventory Management	4010
Negotiations Disposition/Amendment	8349
Agreement Management	2,502
Compliance	486,362
Policy Management	850
	154,725
Informatics	
Corporate Management	583,566
Environment	45,907
Royalty	137,608
Direct Operations Support	186,334
IOGA Implementation	1,104,653
Admin/Strategic Policy	0
Total Expenses	2,719,564
Capital	899,202
Transfers	
Salaries	0
O&M	1,358,362
Capital	1,248,000
Contributions	1,258,000
Total Transfers	3,864,862
Total O&M, Contributions & Transfers	15,906,182
Surplus/Deficit	6,882
Revenues Collected on Behalf of First Nations	
Royalties	49,329,704
Bonus	991,689
Compensation and Rentals	12,041,030
Treaty Land Entitlement	208,055
Interest	13,224
Total Revenues Collected on Behalf of First Nations	62,583,701

Glossary of Acronyms

AB NRF	Alberta New Royalty Framework
ACLS	Association of Canada Lands Survey
ADM	Assistant Deputy Minister
ADR	Alternate Dispute Resolution
AER	Alberta Energy Regulator
ATIP	Access To Information and Privacy
ATR	Additions To Reserve
BA	Business Associate
BCR	Band Council Resolution
BPM	Business Process Map(ping)
CA	Certified Accountant
CALS	Constitutional and Administrative Laws Section (JUSTICE CANADA)
CAPP	Canadian Association of Petroleum Producers
CCM	Cost Centre Manager
CEAA	<i>Canadian Environmental Assessment Act</i>
CEAR	Canadian Environmental Assessment Registry
CEO	Chief Executive Officer
CGA	Certified General Accountant
CLSR	Canada Lands Survey Records
CMA	Certified Management Accountant
CR	Change Request (RIMS1)
CSIA	<i>Claims Settlement (Alberta and Saskatchewan) Implementation Act</i>
DIAND	Department of Indian Affairs and Northern Development
DM	Deputy Minister
DPR	Departmental Performance Report
DSAR	Departmental Staffing Accountability Report
EE	Employment Equity
EMIS	Environmental Management Information System
eRip	Electronic Registry Index Plan
EVAP	Enhanced Valuation and Audit Process
FMC	Financial Management Committee
FNOGMMA	<i>First Nations Oil and Gas and Moneys Management Act</i>
FRPA	<i>Federal Real Property and Federal Immovables Act</i>
FTE	Full Time Employee
GCA	Gas Cost Allowance
GCDocs	Government of Canada's Official Electronic Document and Records Management Solution
GoC	Government of Canada
HQ	Headquarters (INAC)
HR	Human Resources
HRIS	Human Resources Information System
IFS	Integrated Financial System
ILRS	Indian Lands Registration System
IM	Information Management
INAC	Crown-Indigenous Relations and

IOGA	Northern Affairs Canada
IOGC	<i>Indian Oil and Gas Act</i>
IRC	Indian Oil and Gas Canada
IT	Indian Resource Council
JTC	Information Technology
LAS	Joint Technical Committee
LDV	Land Agreement Subsystem (RIMS1)
	Low Dollar Value
LEDS	Lands and Economic Development Sector
LMRB	Litigation Management and Resolution Branch
MAF	Management Accountability Framework
MARS	Modern Act, Regulations and Systems
MOS	Memorandum of Surrender
NRCan	Natural Resources Canada
NRCan-SGB	Natural Resources Canada-Surveyor General Branch
NRF	Alberta New Royalty Framework
OCM	Organizational Change Management
OPEC	Organization of the Petroleum Exporting Countries
OPI	Office of Primary Interest
OSH	Occupational Safety and Health
PARF	Personnel Action Request Form
PCS	Planning and Corporate Services Directorate, IOGC
PM-RDP	Project Manager – Regulations Development Project
PM-RIMS2	Project Manager – RIMS2 Development Project
PMO-MARS	Project Management Office – Modern Act, Regulations and Systems Project
PMO-OCM	Project Management Office – Organizational Change Management
PMS	Performance Measurement Strategy
PREA	Performance Review and Evaluation Assessment
PSC	Public Service Commission
PSECA	Public Sector Equitable Compensation Act
PWGSC	Public Works and Government Services Canada
RCM	Responsibility Centre Manager
REN	Royalty Entity Number
RFP	Request for Proposals
RIAS	Regulatory Impact Analysis Statement
RIMS1 or RIMS2	Resource Information Management System
RPP	Report on Plans and Priorities
RTA	Royalty Tax Attribute
RTP	Royalty / Tax Payer
RUGS	RIMS1 User Group
SAP	Systems, Applications and Processes for Enterprise Projects
SEA	Strategic Environmental Assessment
SGB	Surveyor-General Branch

SMART	Specific, Measureable, Attainable, Realistic, Time-framed
SMS	System Management Server
SO	Strategic Outcome
TA	Task Authorization
TB	Treasury Board
TFMS	Trust Fund Management System
TLE	Treaty Land Entitlement
WTI	West Texas Intermediate



Indian Oil and Gas Canada

Suite 100, 9911 Chiila Boulevard, Tsuu T'ina, AB T2W 6H6
Tel: 403-292-5625 Fax: 403-292-5618 www.iogc-pgic.gc.ca