



**SUBJECT: Sierra Yoyo Desan (SYD) Road Use Charges from Dec. 1, 2008 Until Further Notice**

Road use charges are collected by the Ministry of Energy, Mines and Petroleum Resources (the Ministry) under the *Transportation Act Regulation* and monthly payments are made to the SYD Road Limited Partnership (whose general partner is Ledcor SYD Limited) for the bypass, P3 bridge and upgrades to the SYD Road, and maintenance payments for ongoing operation and maintenance of the road.

The following table outlines the SYD Road Use Charges that are in effect for the SYD Road fiscal year starting December 1, 2008. The SYD Road fiscal year is from December 1 to November 30. These charges will remain in effect until further notice.

<b>Industrial Activity</b>	<b>Road Use Charges</b>	<b>Comments</b>
Active Wells	\$4,095 per well per year	Wells in SYD Road assessable area with well status of "Active"
Non-active Wells	\$882 per well per year	All wells in SYD Road assessable area (except wells with a status of "Active" or "Abandoned")
Wells Drilled	\$15,750 per well spudded in winter \$20,475 per well spudded in summer	Winter is from Dec. 1 to March 31 of any year. Summer is from Apr. 1 to Nov. 30 of any year. Applies to each well spudded in the SYD Road assessable area.
Drill Rig Moves	\$22,575 per move (winter) \$28,875 per move (summer)	Drill Rig Moves based on the spud date of each well (not the actual date of the rig move). Winter means Dec. 1 to Mar. 31 of any year Summer means Apr. 1 to Nov. 30 of any year
Compressor Moves	\$22,050 per move (winter) \$28,875 per move (summer)	Applies to compressor packages weighing 50 short tons or more that are moved on the SYD Road
Timber Hauling	\$0.68 per m <sup>3</sup> of timber	Assessed on volumes of timber hauled on SYD Road for commercial timber operations
Shale Gas Well Fracturing Moves	\$30,000 per well	Applies to the moving of any well fracturing materials or equipment on the SYD Road to a new shale gas well in the SYD Road assessable area.

Invoices for active and non-active wells will continue to be sent out three times per year. The intent of this billing method is to distribute the annual charge over the entire SYD Road fiscal year and to capture any changes in well status throughout the year.

Payments are to be made to:

**BC Transportation Financing Authority**  
c/o Ministry of Energy, Mines and Petroleum Resources  
PO Box 9323 Stn Prov Gov't  
Victoria, BC V8W 9N3

### **Royalty Credits Available to Road Users**

Three times per year, road users are notified of the royalty credits they have earned, which are equal to 50% of the road use charges received by the Province. To claim these credits, an oil and natural gas royalty payer must submit a BC-15 form, "Petroleum & Natural Gas Remittance Advice" to the Ministry of Small Business & Revenue.

### **Upgrade and Maintenance Contract**

SYD Road Limited Partnership and its general partner, Ledcor SYD Limited, assumed operations and maintenance obligations for the SYD Road on August 1, 2004. For matters related to road operations and maintenance, contact Ledcor at 1-866-453-3267. Additional information is available at [www.sydroad.com](http://www.sydroad.com).

### **SYD Road User Committee and Executive**

The SYD Road User Committee (the "Committee") was established on June 1, 2004. The Committee has an Executive Committee that represents the Road User Group and the Ministry in the administration of the SYD Road.

Original signed by

Stephen Pal  
Director, Infrastructure Development  
Policy and Royalty Branch  
Oil and Gas Division  
Ministry of Energy, Mines and Petroleum Resources

**For further information, contact:**

Susan Serafini  
SYD Road Administrator  
Phone: (250) 952-0323  
Fax: (250) 952-0255  
[susan.serafini@gov.bc.ca](mailto:susan.serafini@gov.bc.ca)

December 1, 2008