

## CSA Staff Notice 51-345 *Disclosure of Abandonment and Reclamation Costs in National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities and Related Forms*

November 5, 2015

This Staff Notice is published in response to numerous inquiries concerning disclosure requirements for abandonment and reclamation costs in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (NI 51-101) and its related forms. Some of these inquiries relate to amendments to NI 51-101 and its related forms that were effective July 1, 2015 (**Amendments**). Reporting issuers engaged in oil and gas activities are reminded that publicly disclosed estimates of future net revenue must be net of abandonment and reclamation costs.

With the Amendments, definitions for future net revenue and abandonment and reclamation costs were added to section 1.1 of NI 51-101.

**Future net revenue** - A forecast of revenue, estimated using forecast prices and costs or constant prices and costs, arising from the anticipated development and production of resources, net of the associated royalties, operating costs, development costs and abandonment and reclamation costs.

**Abandonment and reclamation costs** - All costs associated with the process of restoring a reporting issuer's property that has been disturbed by oil and gas activities to a standard imposed by applicable government or regulatory authorities.

Item 2.1(2) of Form 51-101F1 *Statement of Reserves Data and Other Oil and Gas Information* (**Form 51-101F1**) mandates disclosure of future net revenue. Disclosure is required in aggregate by country and product type for the reserves categories specified in Item 2.1(1). Item 2.1(3) details specific disclosure of abandonment and reclamation costs. New Part 7 of Form 51-101F1 provides requirements regarding the optional disclosure of resources other than reserves.

Form 51-101F1 requires additional disclosure concerning significant abandonment and reclamation costs. In particular, Item 5.2 addresses instances where these costs affect particular components of reserves data and Item 6.2.1, in situations where they have affected or are reasonably expected to affect activities on properties with no attributed reserves.

Reporting issuers and their independent qualified reserves evaluators or auditors are reminded of their responsibilities, as described in Form 51-101F3 *Report of Management and Directors on Oil and Gas Disclosure* and Form 51-101F2 *Report on [Reserves Data ][.][Contingent Resources Data][and][Prospective Resources Data] by Independent Qualified Reserves Evaluator or Auditor*, respectively.

## Questions

Please refer your questions to any of the following:

Craig Burns  
Manager, Petroleum  
Alberta Securities Commission  
403-355-9029  
[craig.burns@asc.ca](mailto:craig.burns@asc.ca)

Floyd Williams  
Senior Petroleum Evaluation Engineer  
Alberta Securities Commission  
403-297-4145  
[floyd.williams@asc.ca](mailto:floyd.williams@asc.ca)

Gordon Smith  
Senior Legal Counsel, Corporate Finance  
British Columbia Securities Commission  
604-899-6656 or 800-373-6393 (toll free across Canada)  
[gsmith@bcsc.bc.ca](mailto:gsmith@bcsc.bc.ca)

Darin Wasylik  
Senior Geologist  
British Columbia Securities Commission  
604-899-6517 or 800-373-6393 (toll free across Canada)  
[dwasylik@bcsc.bc.ca](mailto:dwasylik@bcsc.bc.ca)

James Whyte  
Senior Geologist  
Ontario Securities Commission  
416-593-2168  
[jwhyte@osc.gov.on.ca](mailto:jwhyte@osc.gov.on.ca)

Jason Alcorn  
Legal Counsel  
Financial and Consumer Services Commission, New Brunswick  
506-643-7857  
[jason.alcorn@fcnb.ca](mailto:jason.alcorn@fcnb.ca)

Luc Arsenault  
Géologue  
Autorité des marchés financiers  
514-395-0337 ext. 4373 or 877-525-0337 (toll free across Canada)  
[luc.arsenault@lautorite.qc.ca](mailto:luc.arsenault@lautorite.qc.ca)