July 19, 2018

INFORMATION LETTER 2018-25

Subject: Helium Royalty Rate

This Information Letter provides clarity regarding the current royalty rate applicable to commercial helium production. Section 1(1) (aa) of the Natural Gas Royalty Regulation, 2017 includes helium as one of the in stream components. Production of helium is required to be reported for royalty purposes.

However, there is currently no reference price for helium prescribed under the Regulation. Therefore, there is no applicable royalty payable on helium.

Operators who are producing and commercializing helium must comply with the following:

• Effective September 1, 2018 operators producing and selling helium must report monthly helium production volumes and monthly average selling prices to the Department of Energy, Resource Development Policy Division.

Efforts to establish a royalty rate for helium production will be done with consideration for competitiveness with neighbouring jurisdictions.

For further information please contact:

Edgar Mosquera  
Manager Resource Economic Policy  
Resources and Development Branch  
Resource Development Policy Division  
4th Floor  
North Petroleum Plaza  
9945 -108 Street NW  
Edmonton, Alberta T5K 2G6  
Phone: 780 422 1323  
Email: edgar.mosquera@gov.ab.ca