

Overview of Saskatchewan Petroleum Research Incentive (SPRI)

Jean Chen
Government of Saskatchewan

Williston Basin Petroleum Conference – Regina SK
May 3, 2017

What is SPRI ?

- An incentive program to encourage **field pilot projects** by sharing cost and risk.
- **Two provisions:**
 - **New technologies**
 - **Enhanced oil recovery (EOR)**
- Eligible projects:
exploration, production, treatment, transportation, upgrading, processing, refining, and/or waste disposal from, or environmental impact of O&G activities

Objectives

- To encourage research, development, and demonstration of **new EOR projects & adaptation of new technology (efficiency & cost-effectiveness)**
- To develop SK's O&G research expertise and facilities.
- To encourage transferring and adapting of successful technologies by sharing the information gathered and lesson learned

Past SPRI Projects

- ✓ Started in 1998
- ✓ \$65 Millions allocated
- ✓ 43 field pilot projects

- Horizontal Wells
- Chemical Flood
- CO₂-EOR
- Electromagnetic Stimulation
- Flue Gas Huff & Puff
- Vapor Extraction
- Solvent Flood
- Microbial EOR

Show Me The \$\$\$!

30% of eligible project expenses can be redeemed as **royalty credits**, up to **\$3M**.

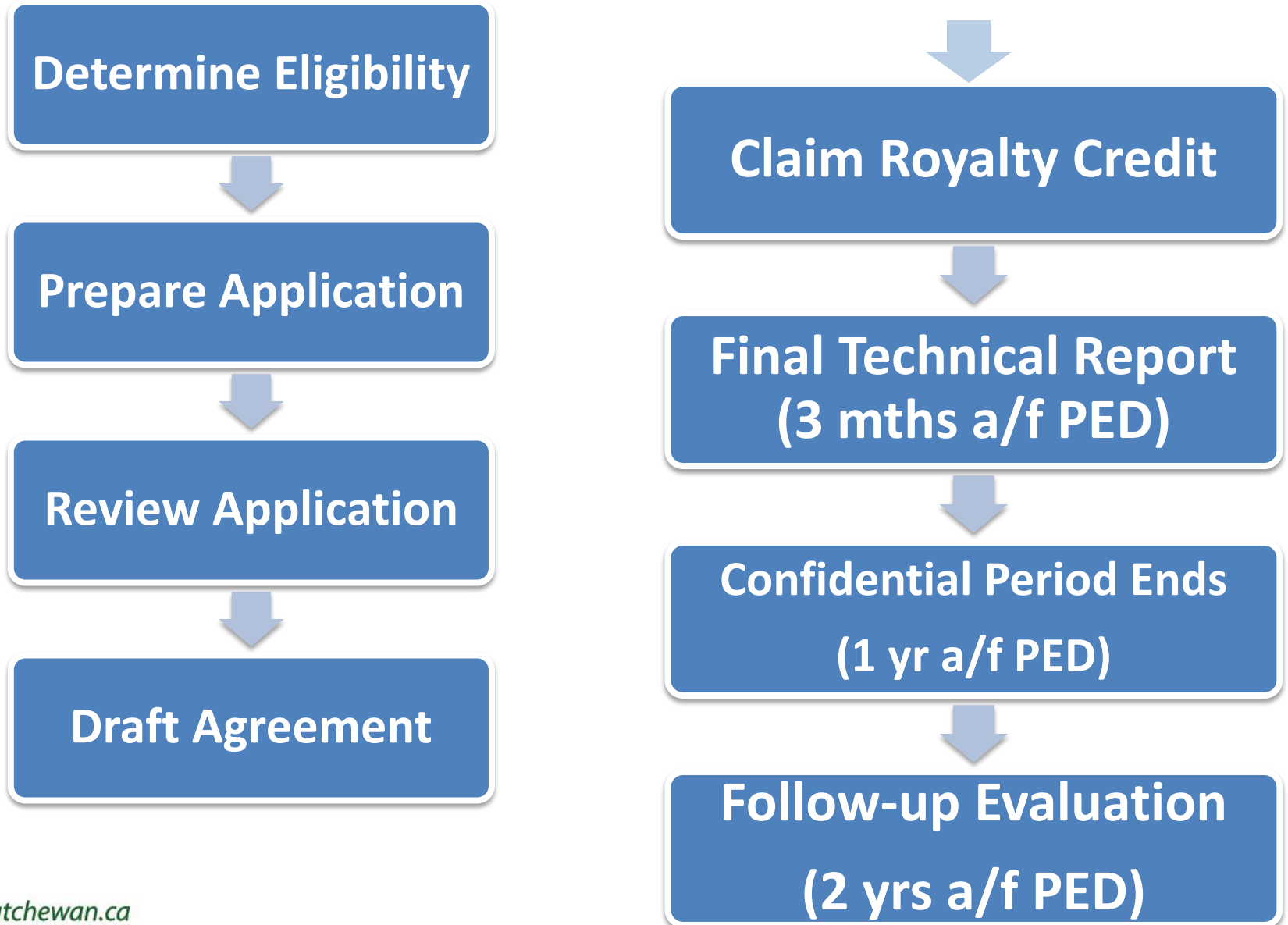
and

50% of eligible cost directly involving **Petroleum Technology Research Center (PTRC)**, up to **\$1M (additionally)**.

Royalty Credits

- claimable against **all SK oil & gas royalties** payable by oil producers
- can be claimed in a lump sum or split amount
- normally expires in 2 yrs after project end date

The Whole 9 Yards



Eligibility Criteria

- Field Pilot (not lab or commercial stage)
- EOR or New technology applicable in SK
- New technology: first of its kind in SK or significant improvement of existing one
- Likelihood to be applied commercially by industry
- Applicant must be a registered operator in SK
- Project location must be in SK
- Ready to share information: detailed final technical report will be published on SK Gov website

Information in Application

1. Name of Operator
2. Coordinates of Contact Person
3. Title of Project
4. Location of Project Site
5. Project/Technology Description
6. Project Monitoring & Evaluation
7. Final Technical Report
8. Project Cost
9. Project Schedule
10. Notice of Confidential or Proprietary Information
11. Notice of Patents

Eligible Expenses

1. Labour costs directly related to the project, full time or part time
2. Corporate overhead costs (max of 10-15% of labour costs)
3. Subcontracting expenses
4. Materials and supplies
5. Travel and living expenses
6. Capital equipment costs (itemized for equipment over \$10K)
7. Work done outside of SK
8. Other

About Confidentiality

- **Final Technical Report** will become public, **1 yr after project end date.**
- All other communication (phone call, E-mail, documents) is **confidential and for Ministerial internal use only.** Project information will not be released without authorization from the project manager.
- **Patented** information will remain confidential.
- **Freedom of Information Act**

Consequences of Non-compliance

- **Reimbursement of royalty credit claimed**
- **Damage of company credibility**

Why SPRI ?

For Oil Producers:

- ✓ Project cost/risk shared
- ✓ Increase chance to obtain internal approval to start or continue field pilot projects
- ✓ More oil production, more revenue, more jobs!

Why SPRI ?

For Service/Technology Providers:

- ✓ Increase chance of securing clients or oil partners
- ✓ More sale, more revenue, more jobs!

Why SPRI ?

For Saskatchewan Government:

- ✓ Unlock the 90% OOIP using EOR or new technology
- ✓ Share project info with the whole O&G industry
- ✓ More prosperous economy, more oil production, more jobs for SK, more tax revenue!

Want More Info ?

Jean Chen

306-787-3378

jean.chen@gov.sk.ca

Info for Applicants &

Final Reports of Past SPRI Projects

[http://publications.gov.sk.ca/deplist.cfm?
d=310&c=4889](http://publications.gov.sk.ca/deplist.cfm?d=310&c=4889)