



October 1, 2008

VIA ELECTRONIC MEDIA

President  
BC Government and Service Employees' Union  
4911 Canada Way  
Burnaby BC V5G 3W3

Attention: Jocelyn Lewis  
Staff Representative

Dear Ms. Lewis:

**Re: Exclusion Request - Position #94637  
Manager Petroleum Operations  
Mineral, Oil and Gas Revenue  
Revenue Programs  
Ministry of Small Business and Revenue**

We are writing to request the Union's agreement for the exclusion of the above-noted position from the bargaining unit.

For your review, please find enclosed:

- 1) Job description for the subject position;
- 2) Organization chart; and,
- 3) Supervisor's job description.

This is a new position that has yet to be encumbered on either a temporary or permanent basis. The Ministry of Small Business and Revenue is eager to post the position in the near future.

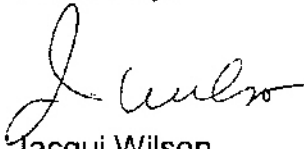
Reporting to the Director, the Manager Petroleum Operations establishes procedures and directs the flow of work required to process oil and gas well, facility, production and ownership reports, issue royalty assessments and account statements and record payments. The position is responsible for business practices supporting the Petroleum Royalty Management System including initiating and/or advising on changes in finance procedures and controls and assessing the impact of changes on staff and authorizing changes as needed.

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The Manager Petroleum Operations supervises a staff of seven regular bargaining unit employees and one auxiliary employee. The position establishes hours of work, allocates work assignments, monitors and manages employee performance and has the delegated authority to issue discipline up to and including suspension.

We hope that you will agree after reviewing the attached materials that this position should be excluded from the bargaining unit. If you require further information on this matter, we would be happy to participate in a teleconference to address the position and will proceed through the normal process in that regard.

Yours truly,

A handwritten signature in black ink, appearing to read 'Jacqui Wilson', written in a cursive style.

Jacqui Wilson  
Exclusion Project Co-ordinator

Enclosures

pc: Doug Stangeland, Director (letter only)  
Mary Bumstead, Strategic HR (letter only)  
Dorothy Orr, Client Services, BCPSA (letter only)  
John Davison, Labour Relations, BCPSA (letter only)

POSITION TITLE	POSITION NUMBER
Manager, Petroleum Operations	94637
DIVISION/BRANCH	CURRENT LEVEL
Revenue Programs Division Mineral Oil and Gas Revenue Branch	Business Leader
LOCATION	Immediate Manager
Victoria	Director
INCUMBENT	
Vacant	

## PROGRAM:

The **Revenue Programs Division** identifies and collects amounts owed to government through fair, efficient and effective tax administration and revenue management processes. The Ministry manages the collection of revenue by encouraging voluntary constituent payments through education, assistance, audit, compliance and collection activities for the revenue in relation to statutes it directly administers and, increasingly, statutes administered by other ministries.

The **Mineral, Oil and Gas Revenue Branch** administers parts of the Petroleum and Natural Gas Act relating to royalties and freehold production tax, the Mineral Tax Act, the Mineral Land Tax Act and the cost recovery levies under the Oil and Gas Commission (OGC) Levy Regulation and the Mine Health & Safety Inspection Fee directive. The Branch publicizes and explains provisions of the legislation and regulations, collects and reports on royalties and taxes and verifies the accuracy of payments made and issues assessments as required.

## PURPOSE:

The **Manager, Petroleum Operations** ensures the oil and gas industry understands all reporting requirements and in turn develops operational and management reports used for decision making by leading the collection, recording and reconciliation of all oil and gas production and royalty data. The Manager directs the flow of work in order to process well, facility, production and ownership reports, issue royalty assessments and account statements, and record payments under the constraints of the monthly operations cycle.

## NATURE AND SCOPE:

Oil and gas royalties contribute of \$1.3 billion provincial revenues each year. The collection of revenues is driven by complex interactions between the oil and gas industry, the Province's regulatory agency and policy makers, and royalty regulations. Maximizing the Province's return from oil and gas resources requires a complicated royalty regime that is adaptable to various types of oil and gas reserves and to changes in market conditions and industry technology. The Operations Manager applies technical knowledge and experience to transform ministry systems and procedures to deal with changes in technologies and industry practices, as well as changes in government policies and regulations. The Manager adapts methods for used for complex exchanges of large amounts of information to make them as efficient, timely, accurate and customer friendly as possible. The manager interprets regulations and the Act to ensure exceptions and eligibility for incentives are applied as intended, and ensures discretionary statutory powers are applied fairly and consistently. The Manager develops and approves business process innovations to improve customer service and achieve operational efficiencies. The Manager consults with technical and policy experts in other ministries and regulatory agencies, other governments and industry on a variety of issues.

The Manager determines the work assignments for a staff of seven, recruiting and selecting, assessing performance and, when necessary, recommending progressive discipline.

## PROGRAM LINKAGES:

**Oil and Gas Commission** – ensure methods used to exchange information about production, wells and facilities are efficient, accurate and timely, and consult with technical experts on changes in regulatory policies and reporting requirements.

**Industry Revenue and Production Accountants** - explain royalty issues and policies, and resolve problems related to processing information and payment of royalties

**Ministry of Energy, Mines and Petroleum Resources** – ensure that gas pricing information is accurate and available on a timely basis, and consult with oil and gas policy and titles staff on changes in royalty regulations

**Administrative Policy and Legislation Branch** – consult on administrative policies and interpretations

**Information Systems Support** – as the Business Expert, identify system needs for the Royalty Management System, assist with design of changes and authorize implementation

**Validation and Audit Section** – coordinate processing of royalty adjustments initiated by validation and audit staff, and resolve processing problems.

## SPECIFIC ACCOUNTABILITIES:

1. Lead the monthly production of invoices and statements for oil and gas royalties and achieve the service goals of the Branch by directing reporting functions, forms designs and maintaining the accuracy of all oil and gas royalty and production tax relationships, statuses and accounts;
2. Manage the business practices supporting the Petroleum Royalty Management system (PRMS) database by auditing for errors or anomalies, reconciling discrepancies, adjusting charges to royalty payer accounts and updating related financial controls and procedures and assessing proposed systems or business changes to determine their impact on the system and authorizing system updates as needed;
3. Determine eligibility for incentives and the correct invoicing for royalties (including concurrent schemes, exemptions and Producer Cost of Service statuses) by interpreting the Act and the royalty regulations and advising industry representatives of outcomes as part of the monthly cycle of collecting oil and gas royalty and freehold production tax revenue;
4. Maintain the integrity of the PRMS and the alignment of calculations with requirements of the Petroleum and Natural Gas Act and its royalty regulation by auditing the data base and directing the correction of anomalies and errors;
5. Monitor volumes and deductions defined in royalty agreements, such as native gas volumes from natural gas storage schemes, or enhanced oil recovery allowances, and advise on potential administrative problems with new agreements;
6. Communicate administrative policy and procedures to the petroleum industry and manage preparation and maintenance of reference manuals, including the British Columbia Oil and Gas Royalty Handbook and Office Procedures Manual;
7. Schedule computer operations and coordinate the preparation of monthly revenue reports and fiscal yearend adjustments for oil and gas royalties and reconcile general ledger accounts with subsidiary records;
8. Build a committed and engaged team of officers and analysts by recruiting and selecting staff, assigning work, monitoring and developing performance and, when necessary, recommending progressive discipline up to and including suspension and termination;
9. Respond to and resolve objections by royalty payers to royalties, penalties and interest assessments.
10. Review oil and gas royalty payer accounts, initiate or approve corrections to royalty, interest and penalty charges, and recommend collection actions to Branch management



## Dimensions

Oil and Gas Royalties: 1.3 billion per year  
Staff Managed: 8 FTE  
Signing Authority: Extend credit; issue invoices and statements; approve credit notes, waive dishonoured cheque service fees  
Contracts: Manage approval of contract components and delivery of contracted services

## ORGANIZATIONAL CHART

See attached.

## SIGNATURES:

This job description accurately describes the duties and responsibilities performed by this position.

\_\_\_\_\_  
Incumbent's Signature



\_\_\_\_\_  
Date

August 27, 2008

\_\_\_\_\_  
Director Mineral Oil and Gas Signature

\_\_\_\_\_  
Date

## SELECTION CRITERIA

### Education, Experience and Occupational Certification:

Graduation from a recognized university with a degree in business or public admin and five years progressive experience managing financial transactions, collection of monies or reporting systems OR equivalent education and experience

### Skills and Abilities:

Desk-top self-sufficiency (Word, Excel, PowerPoint, Outlook e-mail and calendar)

### Preferred Knowledge:

Production accounting in the oil and gas industry. Oil and gas royalty legislation.  
Enrollment in recognized accounting program at level 3 or comparable external course accreditation

## COMPETENCIES

**Analytical Thinking** - Interpret oil and gas legislation and present data/information to Ministry and industry stakeholders; review business processes and implement changes to ensure royalty assessment and collection in accordance with legislation;

**Planning, Organizing, Coordinating** - Manage concurrent activities and projects, keeping team members, supervisors and colleagues informed of progress and significant issues;

**Initiative** - Work independently in a high-volume, fast paced and demanding work environment with shifting priorities and evolving mandate;

**Building Partnerships with Stakeholders** - Establish and maintain productive working relationships with senior officials in the oil and gas industry, Oil & Gas Commission and other ministries, and use tact and discretion to address royalty payment issues

**Teamwork & Cooperation** – Work across team lines to share information and keep others apprised of issues and common activities

**Results Orientation** – meets deadlines so that oil and gas royalties are assessed and collected when

required and system changes are implemented in a timely manner

**Service Orientation** – Understands client pressures and challenges policies and procedures to ensure they respond to client needs

**Leadership** – Manage the workflow of assignments, resolve workplace issues, coach and manage performance.

October 3, 2008

VIA ELECTRONIC MEDIA & VIA FACSIMILE

John Davison  
BC Public Service Agency  
PO Box 9404, Stn Prov Govt  
Victoria, B.C. V8W 9V1

Dear Mr. Davison:

Re Exclusion Request: Manager Petroleum Operations (BL:94637)  
Revenue Programs  
Mineral Oil and Gas Revenue  
Ministry of Small Business and Revenue  
(Union Ref. #5415)

This is further to the information you provided on October 1, 2008 requesting the BCGEU's agreement to exclude the above noted position. The Union has reviewed the material sent to us including the job description and organization chart.

This letter serves as notification that the Union agrees to the exclusion of this position. Our decision is based on the following:

The provided organization chart indicates that this position reports to the Director and directly supervises seven employees. It is our understanding that this position has full disciplinary authority, including the ability to suspend employees.

The exclusion request is being granted on this basis.

You have indicated that this is a new position that has yet to be filled, so no back dues are owed to the Union. We will now take the appropriate steps to conclude our file related to this matter.

Yours truly

Jocelyn Lewis  
Staff Representative  
Advocacy

JLL/sll cope 378

5415 Manager Petroleum Operations 94637 - October 3, 2008

cc: Sandi McLean



JOB TITLE: Director	CHIPS POS NUM: 34578
BRANCH Mineral, Oil and Gas Revenue Branch	DIVISION Revenue Programs
SUPERVISORS TITLE Assistant Deputy Minister, Revenue Programs	CHIPS POS NUM

## PROGRAM:

The Mineral, Oil, and Gas Revenue Branch fulfills the ministry's statutory responsibility for effective financial management and administration of the *Petroleum and Natural Gas Act*, the *Mineral Land Tax Act*, and the *Petroleum and Natural Gas Royalty and Freehold Production Tax Regulation*. The Branch's mandate is to calculate, verify, collect and report the Crown Royalties and taxes payable by mining, Oil and gas industries. This Branch collects taxes in excess of \$1 billion per year.

## PURPOSE OF POSITION

The Director, Mineral, Oil and Gas Revenue is responsible to meet the statutory mandate to determine and verify, collect, audit and report Crown royalties and taxes payable by the petroleum and mineral industries under a system of self-assessment. The incumbent contributes to Division and Ministry management by providing senior professional advice, specialized knowledge and leadership in evaluating and developing programs and policy. The Director participates with other Ministry directors and specialists in making joint planning and policy recommendations to the Executive relating to all aspects of the petroleum and mineral sectors. The position is the principal advisor to Executive Ministry on the administration and collection of resource revenues from the petroleum and mining industries; and recommends strategies and initiatives to maximize the provincial benefits. The position carries out these functions through a highly qualified management/professional team of accountants, systems analysts, consultants and support staff. It directs an extensive programs for the complete review, verification, audit collection of all industry self-assessed royalty and taxes levied under the Petroleum and Natural Gas Act, Mineral Tax Act, Mineral Land Tax Act and, where applicable, under prior legislation (Mineral Resource Tax Act and Coal Royalty Regulation).

## NATURE OF WORK AND POSITION LINKS:

Under broad direction of the Assistant Deputy Minister, Revenue Programs, the Director develops and manages the Petroleum and Mineral Revenues programs.

The Director is the government's principal authority on the administration of petroleum, mineral land, mineral and coal royalties and tax revenue policies and collection procedures. As such, the position leads the delivery of the Branch mandate: to provide prompt, effective and efficient services to meet the statutory mandate to calculate, verify, collect and report the Crown royalties and taxes payable by the petroleum and mineral industries. The Director has a proactive responsibility to identify all issues which directly or indirectly impact upon the collection of resource revenues from the petroleum and mineral sectors, and to direct the analysis and communication of options to address these issues with the relevant parties.

In consultation with the Assistant Deputy Minister, the Director ensure that broad provincial objectives, Ministry priorities and key division objectives are reflected in the development and implementation of petroleum and mineral resource revenue policies. The Director advises the Assistant Deputy Minister of the findings of Branch experts, new developments and issues as they arise, and as needed on all other matters relating to the Director's area of responsibility. The position may substitute for the Assistant Deputy Minister during extended periods of absence.

The Director is required to draft letters/decisions on behalf of the Assistant Deputy Minister on such matters as appeals of assessments, penalty assessments and interest charges. These decisions are most often accepted without change.

The position is the principal advisor to senior Ministry management with respect to taxation, financial, industry and policy matters involving advice for the effective administration and enforcement of Ministry petroleum and mineral revenue policy. The Director is a member of the Ministry Operating Committee which identifies and reviews all issue which directly or indirectly impact on the performance of the petroleum sector. The committee operates at the Director level with skilled technical support as required and makes recommendations to executive management on changes to policy, legislation and regulations. The Director works closely with the Mineral Policy Branch and Treasury Board staff to identify and review issues which directly or indirectly impact on the performance of the mineral sector and makes recommendations to senior Ministry management on changes to policy, legislation and regulations.

The Director is responsible for interpretation of legislation and for ruling on contentious tax and royalty matters. Complex situations arise in many areas of the legislation where the ultimate decision of whether tax or royalty is due rests with the Director. These situations can result in appeals, objections and court actions. The Director leads negotiations with industry to resolve tax and royalty disputes prior to court action.

The Director is required to attend as an expert witness on taxation matters on occasions that require court action.

The Director provides leadership to the Branch managers and supervisors in planning and implementing projects in the areas of royalty and taxation, administration, financial control, validation/audit and industry liaison.

The Director is responsible for developing and maintaining an effective organizational structure for the Branch to accomplish the Branch's strategic objectives. With advice from the Branch managers and in consultation with the Executive Director, the Director establishes the Branch business plan and budget.

The Director possesses a thorough, current knowledge of factors affecting the B.C. petroleum and mineral sectors, including market conditions, industry policy and regulation in B.C. and other jurisdictions, government's fiscal and economic development policies, organizations and institutions with key involvement in the petroleum and mineral sectors and general economic conditions and outlook. The Director maintains close contact with key players in the petroleum and mineral sectors, both in the private and public sectors, and has a good understanding of the workings of the petroleum and mineral industries. To maintain this close contact, the Director is in regular contact with members of the Canadian Petroleum Association, Independent Petroleum Association of Canada, B.C. Mining Association, Canadian Coal Association, other federal and provincial jurisdiction and accounting associations.

Along with the other Directors in the Revenue and Operational Services Division, the Director actively participates in establishing and reviewing Division plans and priorities.

The Director is accountable for all Branch staffing functions, including hiring, training, evaluation and discipline, and for effective delegation of these functions to Branch manager and supervisors.

The Director is responsible for the planning and development of legislation and accompanying regulations that will ensure a fair economic rent is received by the Province for the use of provincial owned natural resources. The position participates in drafting legislation, regulations, Order in Councils and royalty and taxation agreements with legislative counsel, the Ministry solicitor and policy staff, ensuring that the Ministry goals are correctly reflected in the completed documents and subsequent public information letters.

The Director is responsible for the preparation of the Mineral Land Tax Roll and annual assessments.

The Director prepares forecasts of mineral industry financial results and government cash flow projection for petroleum, natural gas royalties and mineral taxes payable.

### **SPECIFIC ACCOUNTABILITIES:**

The Director is accountable for the preparation and administration of the external audit programs for both petroleum and natural gas royalties and mineral taxation. The audit programs are different in that the economic rent on the petroleum industry is taken as a royalty share of production or sales which is sold at fair market value. The external audit program reviews royalty factors in high risk revenue areas, such as, oil-product pricing, equalization payments, marketing fees, well classification and royalty allowances and exemptions. The mineral taxation is a profit based tax where the Director is required to maintain a professional level of knowledge of audit procedures and concerns of a corporate auditor and a thorough knowledge of Revenue Canada taxation. Where a review reveals cause, the Director determines any additional royalty or tax assessment required. The Director advises the Executive Director where an additional assessment is contentious under the legislation of the administered act or the Income Tax Act of Canada and recommends the appropriate course of action. The external audit program has an annual budget of \$350,000 and provides a net benefit ratio to the Crown of at least 10 to 1.

The Director has the authority to make decisions in solving issues arising out of the audit program and to issue re-assessments as required.

The Director makes recommendations to the Executive Director and other Directors on resource revenue strategies, policies and programs to achieve provincial and Ministry objectives for the B.C. petroleum sector.

The Director is accountable for developing and implementing the Branch business plan and budget.

Operating with minimal direction, the Director guides the work of the Mineral, Oil and Gas Revenue Branch in identifying revenue policy options, directing the selection of appropriate methodologies and criteria for their evaluation, and deciding how to present conclusions and recommendations to the Ministry Executive.

The Director actively participates in establishing and reviewing Division plans and priorities.

### **DIMENSIONS:**

FTE's:	26
Budget:	\$



**ORGANIZATION CHART:**

(See attached organization chart)

**SIGNATURES:**

Incumbent:

\_\_\_\_\_  
Doug Stangeland

\_\_\_\_\_  
Date

Supervisor:

\_\_\_\_\_  
Elan Symes  
Assistant Deputy Minister

\_\_\_\_\_  
Date

Human Resources:

\_\_\_\_\_  
Manager, Human Resources

\_\_\_\_\_  
Date

# Mineral, Oil & Gas Revenue Branch New Organization Chart, Sept 2008

