



# THE NEGOTIATOR

The Magazine of the Canadian Association of Petroleum Landmen  
February 2004



# CAPL

## Management Night

### Mike Harris

Former Premier of Ontario

Thursday, February 26, 2004

#### **OIL AND GAS PROPERTY TRANSACTIONS, PART 1**

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process of due diligence.  
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seismic trace. **PAGE 16**

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A black and white photograph of a man in a white button-down shirt and dark trousers, standing in a cubicle farm. He has his arms raised in a celebratory gesture, with a wide smile on his face. The background shows other cubicles and people working at computers, but they are out of focus. The lighting is bright, coming from overhead office lights.

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## The Negotiator

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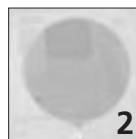
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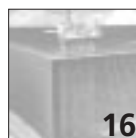
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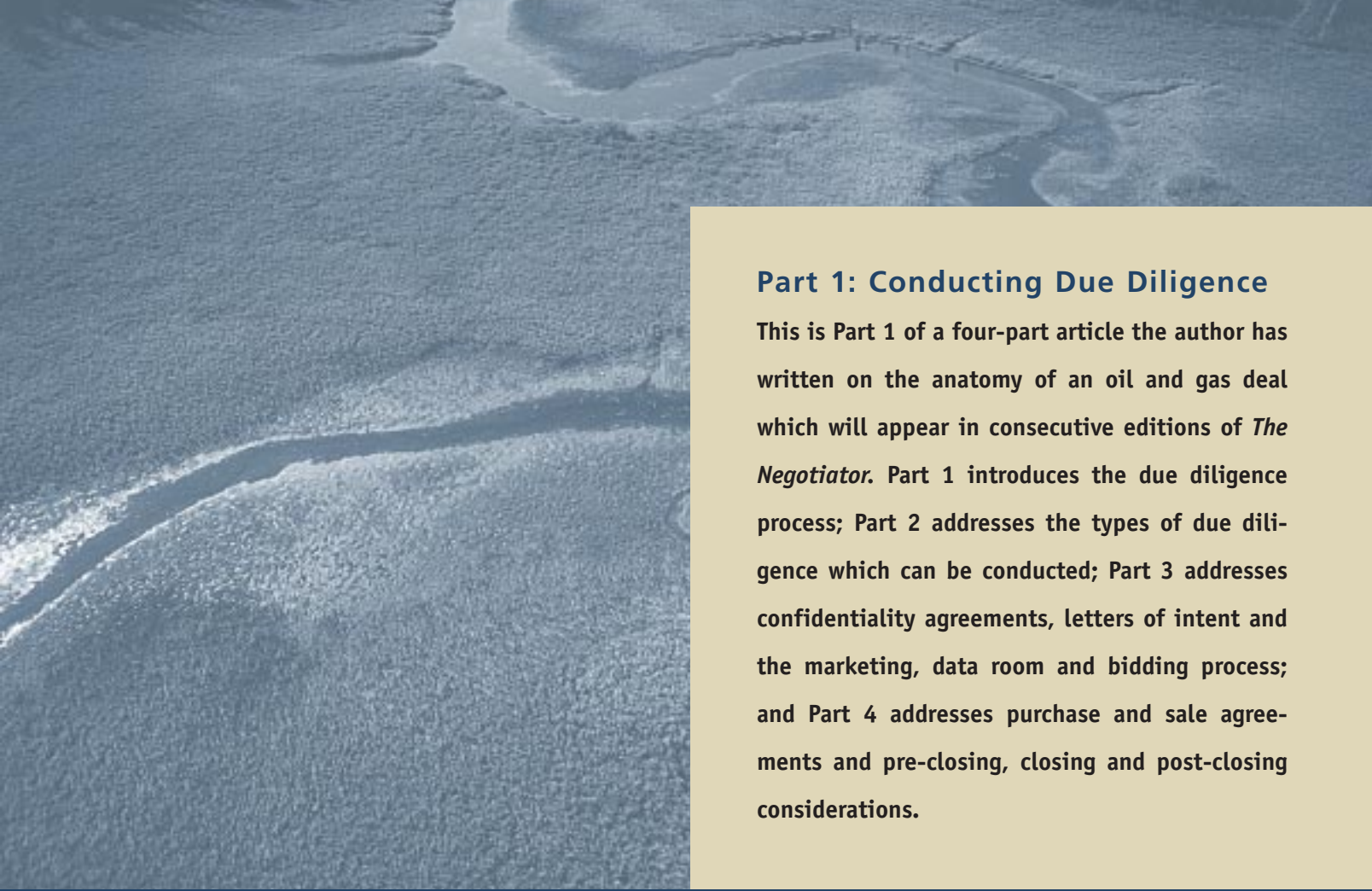
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An aerial photograph of a rural landscape with various fields and patches of trees. A magnifying glass is positioned over the center of the image, focusing on a specific area. The text "Anatomy of an Oil and Gas Property Transaction" is overlaid on the magnified area.

# Anatomy of an Oil and Gas Property Transaction



## Part 1: Conducting Due Diligence

This is Part 1 of a four-part article the author has written on the anatomy of an oil and gas deal which will appear in consecutive editions of *The Negotiator*. Part 1 introduces the due diligence process; Part 2 addresses the types of due diligence which can be conducted; Part 3 addresses confidentiality agreements, letters of intent and the marketing, data room and bidding process; and Part 4 addresses purchase and sale agreements and pre-closing, closing and post-closing considerations.

The business environment for oil and gas property acquisitions in Western Canada has never been more competitive than it is today. Consequently, ensuring that all elements of a transaction are fully understood is critical to winning bids and ensuring that the transaction meets expectations. The conduct of due diligence in connection with a property acquisition is one way of obtaining that understanding.

Due diligence is not limited to simply a review of the vendor's ownership of the assets or the conduct of corporate, courthouse and like searches in respect of the vendor, but can be undertaken in respect of all aspects of the acquisition. This point is illustrated by the multi-discipline team of professionals often involved in the due diligence process: landmen, engineers, geologists, accountants, tax specialists, environmental specialists, lawyers, paralegals, administrative personnel, marketing personnel, operations personnel and human resources personnel. Specifically, due diligence forms an essential and vital role in the following elements of the transaction:

- evaluation of properties for bid purposes;
- confirmation of assumptions and information used in establishing bid price;
- identifying and addressing ownership concerns;
- identifying and addressing co-ownership and joint venture relationship issues;
- identifying and addressing operational and infrastructure issues;
- negotiating solutions to identified issues;
- negotiating appropriate sale agreement provisions and closing documentation; and
- assisting post-closing property integration, administration, development and exploitation.

## Goals and Bid Factors

An appreciation of the goals of the purchaser and the various bid factors applicable to a given transaction is relevant to understanding what due diligence examinations should be undertaken and will assist you in assessing the significance of any previously undisclosed issues discovered pursuant to the due diligence process. The purchaser's goals can include some or all of the following:

- add acreage to a core area, add new landholdings, reserves and interests;
- enhance asset, facilities and reserves synergies, including cash flow;
- opportunistic purchase, favourable acquisition price;
- increase shareholder value; and
- improve operational and administrative efficiencies.

Prior to bidding for the properties, a purchaser will consider its goals and all available information and data in determining a bid price,

***“Experience indicates that the most successful approach to conducting due diligence is a systemic approach requiring the purchaser to obtain a comprehensive and integrated understanding of the properties.”***

including any publicly available or vendor provided data, land and lease information, production information, marketing, transportation, gathering and processing related information, regulatory requirements, environmental issues, human resource issues, competitor issues and area activity. Bid factors relevant to this

consideration will include:

- type of asset: development, exploration, gas, oil, etc.;
- field-area size and characteristics (e.g., remoteness, difficulty to produce, technically difficult play, etc.);
- existing contracts;
- operations considerations;
- facilities considerations; and
- competition for acquisition.

In assessing the information and data provided to it, the purchaser will proceed to value the assets and transaction taking into account some or all of the following:

### • Value Assessment

- discounted cash flow
- proven and probable reserves
- period of payout
- rate of return
- tax pools
- tax effect
- price forecast

### • Accounting Information

- volume/production
- operating costs
- revenue/income
- royalties

### • Production Information

- volumes
- production profiles, water cuts
- well histories, status, operatorship, test information
- reservoir size and characteristics
- exploration information
- geological and reserves reports, studies and/or mapping



- geophysical data
- production marketing
- existence of gas sales contracts
- ship/take or pay obligations
- crude oil, liquid, sulphur or other substances (substance type)
- transportation obligations
- tax implications
- facilities information (plant, batteries, compressor stations)
- geological considerations (upside, vertical rights)
- unit and operations details
- pipeline information and terms (gathering and transportation)
- production penalties and encumbrances

At some point, the purchaser will build a purchase price model which will be used as the basis for arriving at a proposed purchase price and addressing critical non-monetary business terms. For example, the value of the assets might be obtained by calculating the present value of future net cash flow that one can expect to derive from the properties. This is purely an estimate of net revenue, before and after tax, which is then discounted and takes into account the time value of money and other risks, to come up with the present value. All such formulas and price models are based upon assumptions of what will happen in the future. Obviously, the impact of other material issues will be considered, including environmental liabilities, the monetary and strategic value of existing facilities and infrastructure, the financial terms of midstream and downstream material contracts, and operational and other efficiencies and synergies.

### Comprehensive Approach to Due Diligence

Experience indicates that the most successful approach to conducting due diligence is a systemic approach requiring the purchaser to obtain a comprehensive and integrated understanding of the properties: from the reserves through to the point of sale of production. A successful due diligence process, accordingly, will result in a thorough knowledge of all relevant matters including the vendor's ownership interest in the reserves, encumbrances thereon, title deficiencies associated therewith, material terms of the title and operating documents, details respecting existing wells, spacing units, facilities and surface rights, how produced substances are gathered, processed, disposed of and transported to market and ultimately sold and under what contractual terms.

The information obtained from the due diligence process can be used to revisit the purchase price model and the various factors, information and assumptions gathered and made in creating such model and assess the impact of discrepancies and issues on the purchase price and the

***"A purchaser can ensure that the assumptions and information that went into its bid for the properties is consistent with reality as disclosed pursuant to the due diligence examination."***

critical non-monetary business terms. In addition, the due diligence results can sometimes be used in conjunction with the provisions of the sale agreement to terminate the transaction, to seek amendment of key terms, to reduce the purchase price or to address risk and liability in other ways. Once closing has occurred, such due diligence results will assist the purchaser in pro-actively addressing identified issues and will assist the process of efficient and immediate digestion of the assets allowing operations to proceed without unnecessary delay.

With this comprehensive understanding, a purchaser can ensure that the assumptions and information that went into its bid for the properties is consistent with reality as disclosed pursuant to the due diligence examination. However, a comprehensive review of all aspects of the transaction and the target assets may not always be practical, economical or otherwise warranted.

### How Much Due Diligence?

The purchaser must always balance the degree, nature, and type of due diligence to be conducted within the context of the transaction itself. Informed decisions considering the return on investment of various due diligence investigations are critical when economics, time limitations or other factors require that due diligence be selectively conducted. However, making arbitrary decisions to carve back certain due diligence investigations without an appreciation of the assumptions and information used in arriving at a bid price and the manner in which non-monetary business issues were addressed may result in key investigations not being conducted.

Similarly, a reasonable understanding of the types of due diligence examinations that can be conducted will assist a purchaser in determining what is required in a particular transaction. The types of due diligence examinations that can be conducted will be discussed in Part 2 of this Article under the following broad headings: (i) Due Diligence in Respect of Reserves Ownership; (ii) Operations Due Diligence; and (iii) Corporate Due Diligence. **N**

Craig N. Spurn

*Craig is a partner and head of the Oil and Gas Group at Blake, Cassels & Graydon LLP.*



# How Effective Thinkers Think

## *Oil Company CEOs' Approach To Decision Making*

*"I can imagine deals. I can imagine projects. I can imagine things. I'm constantly imagining and creating things, projects and things to do ... It's like painting to me. It's like painting a picture ... And that to me comes really easy ... I'm always envisioning things all the time every day."*

*– A CEO participating in the study*

Last year I conducted a study to identify thinking methods of oil company CEOs who have a reputation as effective thinkers, or "good minds". Such thinking methods contribute to companies' performance, and once identified, could be shared and taught and thus help improve decision-making.

Nine oil and gas industry experts (oil company executives, investment bankers, financial analysts) independently nominated Chief Executive Officers they considered to be effective thinkers (and successful in running their companies). Those nominated at least twice were included in my target list of 30 CEOs, 13 of whom agreed to participate.

I developed a two-page decision scenario involving an oil company CEO trying to decide on growth options for his firm. This scenario was first tested with three CEOs not participating in the study, adjusted based on their comments, and used as a think-out-loud device in the 90-minute interviews with each CEO. This article highlights some of the study's findings.

### **The CEOs and their companies**

The sizes of the companies the 13 CEOs ran ranged from 1,000 boe/d to about 300,000 boe/d (6:1); the median size was 7,000 boe/d. Ten firms are publicly traded. Seven CEOs have Bachelor's degrees in engineering, three in geology and the rest have non-technical degrees. Four also have non-technical graduate degrees (MBA). The oil industry operations experience of these executives varied between seven and 45 years, the median being 24 years. However, none of these factors differentiated the CEOs' thinking regarding the decision making scenario.

### **Approach to the scenario**

The first comment of virtually all the CEOs upon finishing reading the scenario was that they had faced these issues before. In other words, these executives were all experienced decision-makers. Therefore it was not surprising that they all made a quick assessment of the situation, and promptly identified the hypothetical company's problem. They also right away zeroed in on their preferred option as opposed to systematically analyzing them one by one.

Another quality in common in the CEOs' approach to the scenario was their focus on the 'facts' it presented. They used their experience to identify the problem quickly, and then let the 'facts' guide their decision making.



The scenario presented three choices to achieve growth for the hypothetical company: adopting new technology, expanding into the Arctic, or acquiring another oil and gas firm. Additional alternatives were also prompted. The CEOs were divided over these alternatives, with the acquisition being the most popular and the Arctic expansion the least popular. Most CEOs proposed alternatives (such as enhancing exploration in the Western Canadian Sedimentary Basin, selling the company, or expanding internationally), and many suggested a combination of options, presented in a hierarchical order (short-term vs. long-term choices). But the most interesting findings arising from the study are about how the CEOs arrived at their decisions.

### Thinking/decision making processes

The thinking and decision making processes the CEOs described varied widely but the common pattern was their *active* approach to the process of thinking and the pursuit of *objectivity*. They constantly ask questions. They want to know, for example, what the different choices are for their firms, whether they have the resources to pursue them successfully, and how much value each choice is going to create. They continuously assess their firms' performance and competitiveness, and seek areas of improvement. In pursuing objective answers, the CEOs rely on careful analysis (of their own or of others). They also seek objectivity by listening to others within the firm and by getting independent advice from outside. One chief executive analyzes why competitors are doing what they are doing, and tries to understand why some fail. Another CEO emphasized the importance of proper problem definition: asking enough questions, doing enough analysis, not jumping to conclusions but digging below the symptoms to their underlying causes. Several CEOs also explained how they enjoy the mental challenge of finding solutions to business problems; this is further evidence of their active thinking approach.

Another pattern characterizing these CEOs' thinking were the methods used to *speed up decision making* and generate solutions. A few chief executives explained how they rely on *intuition* to make faster decisions. They have accumulated experience that allows them to quickly recognize familiar patterns in new situations, rendering a systematic, detailed analysis a novice decision maker would deem unnecessary. Experience tells these CEOs what the right level of detail is so that no time is wasted gathering unnecessary data. Some CEOs said that this "intuition" was not just a function of their experience but also resulted from the experience of some effective veteran decision makers for whom they had worked before. This suggests that one potential shortcut to developing intuition is to learn from the experience of others.

While it is true that intuition can speed up decision making, it alone is not enough. Intuition refers to the hunches and ideas fed to the conscious mind by the subconscious, which stores them on the basis of experience. Since these hunches and ideas come from the subconscious unscreened, they need to be validated before they are acted on. This is where *principles* become critical. Besides developing intuition, experience – one's own or that of others – also enables the decision maker to form or identify explicit principles which are generalized decision guidelines (such as respect for facts, value creation, or honesty). These principles, once developed or identified, become almost automatic decision making tools that can be applied to a variety of situations. They allow the decision maker to quickly process and filter data and to focus on only those that matter, in a way to screen intuition. This explains the quick zeroing in on the company's problem and their preferred solution by the participants of this study when they were addressing the scenario. For example, the value creation principle allowed the quick dismissal of alternatives that failed to demonstrate value creation for shareholders. Decision makers who lack experience and guiding principles would be more ineffective and assess every alternative equally and systematically.

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Another way of speeding up decision making and generating solutions was *mental simulation* (see the quotation at the beginning of this article). Mental simulation is taking the ideas fed by the subconscious a step further by visualizing them, which makes them more concrete and thus easier and faster to assess. Assessment of mentally simulated solutions using decision principles is needed, as these solutions are based on unscreened ideas from the subconscious.

I also asked the CEOs to describe a particularly tough decision they had had to make. Many CEOs chose to describe a “people” decision. They described situations where they had procrastinated in firing a poorly performing employee, and all concluded that acting justly and quickly would have been the best for all parties. In these tough people situations, the CEOs were apparently tempted by altruism and temporarily abandoned their decision principles such as justice and value creation and thus were unable to make the decision.

### Decision principles

I divided the principles that arose from the interviews into general decision principles and ethical principles. The most popular general decision principle was what I termed “*respect for facts*”. This means letting facts, not emotions guide you; facing reality and not evading it; “keeping feet on the ground”. The CEOs said these things explicitly but this principle was also evidenced in these CEOs’ search for clarity and additional information.

The second most popular decision principle was *creating shareholder value*: several CEOs considered this a critically important guideline in making decisions. Many executives said that the company should base decisions on their implications to *long-term performance* and not to “bow to short-term market pressures”. Many also said that *exceeding certain economic hurdles* was an important guiding principle for them. Finally, a few CEOs said that firms need to focus their operations somehow, and this focus should then guide decision making.

There was a very strong sense of ethics among all these executives. Several of them named *integrity* as an important ethical principle guiding them. Many named *honesty* and *fairness*, and a few identified *disclosure or transparency* as important. All CEOs named at least one ethical principle that they used as a guideline.

### Own contribution and business success

The CEOs were also asked what they considered their own contribution to their business, and keys to success in general. When asked about *their own contribution to their business*, three factors dominated. Most CEOs saw themselves as the source of their companies’ vision, strategy and structure, and their role as an “integrator” who “puts everything together”. Many considered themselves as facilitators and supporters who put together good teams and then provided the resources that were needed to be successful. Several said that their role in motivating or “cheer leading” others was critical.

The CEOs also provided advice about *the keys to success* in the business, grouped here in three main categories: *intellectual skills*, motivation and commitment, and people. Several CEOs cited various intellectual skills as keys to success. They said that facts, not emotions, should be the basis of decisions. Ability to define problems correctly and to judge information quickly was perceived to facilitate success by speeding up decision making. But most of all, own knowledge and competence were considered requirements of success. Many chief executives emphasized own *motivation* as critically important to succeeding. They talked about loving or having passion for what you do, and wanting to create something and to learn more. Others said that motivation has to be so strong that it makes you committed to what you do, and causes you to work hard. Many CEOs thought that the role of others was crucial to the success of business, and therefore it is paramount to hire the best *people* and motivate them. The importance of ethics and integrity to success arose throughout the interviews.

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## Summary: Methods of effective thinking

The main insights from the study are summarized here as guidelines to make thinking more effective:

- Effective thinkers have *active minds*: they ask a lot of questions, constantly assess their company's performance and seek to improve it; they pursue *objectivity* through careful analysis and by listening to different views and asking for independent advice. They look for root causes rather than just symptoms of problems. They enjoy the mental challenge of running a business. They have outside interests beyond the business.
- The approach of the effective thinkers in this study was to develop a *broad assessment* of the hypothetical company but then quickly *zoomed in* on what they saw as the main problem and their *preferred solution*. In other words, they did not waste time systematically analyzing every alternative.
- Effective thinkers seek to *speed up decision making* by relying on *intuition, mental simulation and decision principles*. Intuition and mental simulation are validated by almost automatic decision principles originally formed on the basis of the decision maker's experience--and the experience of others. These principles allow

decisions to be made and justified quickly. (This suggests that young managers need to get exposed to varied experience as soon as possible in order to induce guiding principles. Mentoring by veteran decision makers can help in this.)

- Some of the *principles* effective decision makers use are: respect for facts, value creation, and honesty. *Respect for facts* emphasizes that facts need to support the decision; emotion is not a sufficient guide (nor is religion). The principle of *value creation* allows the quick elimination of choices that do not match up to it. The principle of *honesty* tells that values cannot be gained by faking reality.
- Effective thinking is also a matter of *motivation and commitment*: loving one's work and creating something (and gaining the financial return from it) provide the wherewithal to do one's best to solve the "puzzle" of business. **N**

Jaana Woiceshyn

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### The key issues discussed and resolved at the CAPL Executive Meeting held January 6, 2004 at the CAPL Office:

- Guests Dave Savage and Pat Forrest, representatives from the Company 2 Company Dispute Resolution Task Force, provided the following information to the Board of Directors:
  - The C2C Task Force is in the final stages of completing their report and recommendations to the energy industry.
  - The C2C Task Force will be creating a Standing Committee and is looking to the CAPL for formal endorsement and for a representative from CAPL to sit on the C2C Standing Committee. The Meeting will be held January 21, 2004 with representatives from the AEUB, NEB, CAPP Governors, SEPAC, CAPLA, AAMS, Canadian Bar ADR Chapter (National), Calgary Chamber of Commerce and others.
  - C2C is looking to the CAPL to host their website on an ongoing basis.
- The Board of Directors formally endorsed the recommendations of the C2C Task Force Report and representatives from CAPL will attend the January 21, 2004.
- Scott Nalder advised the Education Committee is working jointly with the Alberta Arbitration and Mediation Society (AAMS) to adapt the existing AAMS program to develop custom education curriculum and certification standards for C2C standard training.
- R.K. Howard submitted a Treasurer's Report as at January 6, 2004 showing CAPL investments totalling \$895,703.75 Canadian and \$30,132.19 U.S. with a cash balance of \$56,410.27 Canadian and \$5,704.09 U.S. Due to the collection of annual dues, a total of \$140,000.00 was transferred from the T.Bill account to the current account since the last report.
- Cindy Rutherford provided five Student membership applications to the Board, all of which were approved.
- Scott Nalder moved, and the Board of Directors approved, the allocation of \$9,600.00 for 2003 CAPL Scholarship recipients from the University of Calgary, PLM program and Olds College.
- Scott Nalder advised the Education Committee is participating in a Marketing Study to be conducted by third year University of Calgary students in early 2004. The study is expected to provide new ideas on how to expand the target audience for CAPL educational seminars and market courses more effectively.
- Carolyn Murphy provided the following update:
  - She attended the AAPL Directors' Meeting in St. Louis, Missouri on December 7, 2003.
  - The entry deadline for the AAPL 2004 Awards is March 1, 2004 and recognizes AAPL members and local associations. Committees are encouraged to submit entries for any categories they may qualify for.

- Elections will be held at the April 21, 2004 General Meeting. A call for nominations has been included in the January 2004 *Negotiator* with nominations closing March 22, 2004. The 2004 Nominating Committee is comprised of:

- Carolyn Murphy, P.Land
- Dennis Eisner, P.Land
- Sandy Drinnan, P.Land
- Dave Horn

- Brad Goodfellow reminded Directors of the following:

- The next General Meeting is a networking event January 21, 2004 at the Calgary Golf & Country Club.
- The following General Meeting is Management Night February 26, 2004 with guest speaker Mike Harris, Former Premier of Ontario.
- The next Executive Meeting will be held February 3, 2004 at the CAPL office. **N**

Clark Drader

Secretary/Director, Social

# Echoes of Yesteryear

**Gordon Connell, Waterflood Pioneer**

Starting with the Conservation Board in the Valley, Connell joined Royalite Oil, then a major producer in Turner Valley, (later to become Gulf). He later organized and chaired the Central Reserves Committee of the Canadian Petroleum Association (CPA), a very important operation in which the author collaborated while at the National Energy Board (NEB). Connell advanced to take on senior management roles at Gulf including an assignment in Ottawa to monitor the NEB. But Gordon's key contribution was to push the waterflood scheme for Royalite's T.V acreage, realizing the enormous amount of crude oil and condensate in place.

As with all new ideas, the U.S. parent, Humble Oil, was dead set against it but Gordon prevailed and in 1948 got the okay to use Royalite #75

wellbore. This well, near the west edge of production, had already started to water out. The injection of 3,000 b/d of water went on for three years before the scheme started to show any improvement, ultimately yielding 150% of its primary recoverable reserves.

The other operators in the Valley soon realized that they could also benefit by waterflood. Legislation was drawn up by the late Hubert Somerville, Deputy Minister of Mines and Minerals, to include the entire reservoir.

***"His entire career had a regulatory thread running through it."***

Today we see Talisman not only injecting water in the south end but also having embarked on an innovative nitrogen injection scheme. We wait

eagerly for the anticipated improved recovery factor, yet another step in the long 50-year history started by Gordon Connell at #75. **N**

Aubrey Kerr



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# Message From the Executive



The Business Development Portfolio, formerly known as Minerals, is one of the busiest portfolios within CAPL with regards to industry business. This particular area is not unlike all areas in the CAPL where the backbone of the organization is our volunteers. As you will see, there is certainly a multitude of individuals that play an important role in this portfolio.

## Committees of Business Development

### *Alberta P&NG Tenure*

**Chairman:** Rhonda Wehrhann

**Members:** Lynn Gregory, Bob Bachynski, Ty Hansen, Guy Anderson, and Doug Patterson

### *Alberta E Tenure*

Paul Badtke, Audrey Murray, Brenda Albright, Rhonda Wehrhann, Guy Anderson, Lynn Gregory, Linda Westbury, Bob Bachynski, Ty Hansen, Gale Breen and Helen Klein

### *British Columbia P&NG Tenure*

**Chairman:** Neil Cusworth

**Members:** Carolanne DeBiasio, Pamela Schlivinsky, Teresa Dickie, Barb Nielsen, Jon Lowes, Ty Hansen, Colin Magee, Terry Branscombe, Brian Vermeulem and Doug Patterson

### *Saskatchewan P&NG Tenure*

**Chairman:** Jeff Lebbert

### *Saskatchewan ISC Land titles*

**Chairman:** Jonathan Chapman, Ashley Craib

**Members:** Ashley Craib, Craig Bisschop and Robb Craige

### *Manitoba P&NG Tenure*

**Chairman:** Brad Theissen

### *2004 Joint Operating Procedure*

**Chairman:** Jim MacLean

**Members:** Lawrence Fisher, Jim O'Byrne, Lynn Gregory, Bob Mosoronchon, Dave Savage and Kathy Gagne

### *2003 Royalty Procedure*

**Chairman:** R.K. Howard

### *Coal Bed Methane Tenure*

Ian Clark and Darlene Fairburn

### *PetroDocs Agreement*

Neil Cusworth and Guy Anderson

### *British Columbia Title Registry*

John Davis and Dennis Graham

### *Alberta E-Business*

Dawn Jarvis, Brian West, Bob Breckon, Jon Axford, Helen Klein, Ty Hansen and Jim MacLean

### *Yukon Disposition Regs*

Bob Bachynski, Gord MacLeod, Dan Kell, Helen Hudson and Russ Waddell

### *1999 Freehold Lease*

John Davis, Shawn McDonald, Keith Boyd, Wayne Gray, Neil Hughes, Tim Millar, Steve Moran, Forbes Newman and Doug Patterson

### *Property Transfer Procedure*

Jim MacLean, Trevor Williams, Brent Molesky, Dave Savage, Dale Fox, Jonathan Chapman, Pat Burgess, Tim Galbraith, Gary Montgomery and Torli Poulsen



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On behalf of all the members, I would like to thank you for your ongoing efforts. As well, I would like to apologize in advance to any of the committee members that I may have neglected to mention.

### Initiatives for 2003/2004:

During this past year, great strides have been made in the area of Electronic Business initiatives. The online transfer process is expected to begin March 31, 2004. I would recommend every member to read Brenda Albright's e-Tenure Talk article in the January issue of *The Negotiator*. The online land posting request and online land sale bidding processes are in the initial stage of planning. The roll out of these programs are expect to be mid 2005 and 2006 respectively.

Another very important initiative being brought forward is the Company to Company Dispute Resolution Process. CAPL, through the efforts of Dave Savage, Jim MacLean, Dale Fisher, Scott Nalder, Carolyn Murphy and several others, have done a tremendous amount of work

since May 2002. They have worked with the AEUB, CAPP, SEPAC, NEB, AEPG, PJVA, CGPA, PSAC, CCC DR, CBA ADR and CAPLA on the Company to Company Dispute Resolution Task Force. The key components of the report have been issued to industry and feedback is being awaited. The Task Force expects that recommendations will be issued in the 1st quarter of 2004.

The CAPL, CAPLA, and the Alberta Department of Energy will be holding a P&NG Tenure Informational Meeting on April 28th or 29th, 2004 at The Telus Convention Centre. The topics for discussion are not yet carved in stone. So, members should keep an eye out for email advice from the CAPL Office with further details on this half-day session. **N**

Respectfully submitted

Guy R. Anderson, P.Land  
Director, Business Development

## The Future of the CAPL Prospect Exchange

As landmen, we have always been faced with many challenges within our business environment, which as we all know is constantly changing. Despite the efforts of countless CAPL volunteers associated with the CAPL Prospect Exchange ("PEX") since its inception in 1998, some trends have persistently prevailed, which many of us find disconcerting. It is for many of these reasons that the CAPL will not hold a Prospect Exchange as planned in late April of 2004.

While 'viewer' attendance has continued to be strong throughout the six year history of the CAPL Prospect Exchange, the number of exploration and production companies who are actually showcasing prospects has been declining. More recently, for those E&P companies who have been showcasing prospects, many people feel that both the number and quality of prospects has also been dwindling. There has always been strong demand for booths showcasing products and services, but the CAPL Prospect Exchange has always maintained its proper focus on plays and prospects. We believe this approach continues to best serve the needs of our membership.

Many facets of our business in Canada are different than those faced by our American counterparts in AAPL where NAPE continues to enjoy success annually in Houston. Unlike the U.S., virtually all the Canadian E&P business is centred in downtown Calgary. The U.S. business could

only dream of our efficiencies when it comes to showing prospects. Within the CAPL and our Canadian business in general, we also have many more opportunities to network on a regular basis throughout the year, simply because of our proximity to one another's offices. Many of Canada's hottest plays in recent years have been natural gas plays, with gas prices establishing new watermarks annually. Understandably, this contributes to capital markets which have been receptive to good management teams with sound ideas. All this translates into fewer prospects on the street, and those that are shopped are soon sold if they are in fact a quality play. All these business environment factors have had a significant influence on CAPL's PEX.

With that said, where do we go from here? Is this really the end of PEX for the CAPL? The answer lies within a committee of strong volunteers, who in the near future will address the potential for a CAPL PEX in 2005, perhaps to be held later in the season (May or June). Committee volunteers are still needed and people with ideas, energy and enthusiasm are encouraged to contact myself or the CAPL office. There are some great ideas on the table for PEX 2005, and the committee is looking for more. Please call if you are interested or if you simply have an idea that you would like to share. **N**

Yours truly,  
Neil K. Cusworth, P.Land, Vice President



# Meeting Announcements

## February General Meeting

### Management Night

Thursday, February 26, 2004

Guest Speaker: **Mike Harris**

**Former Premier of Ontario**

Cocktails: 5:00 p.m.

Dinner: 6:15 p.m.

Location: Telus Convention Centre  
120 – 9 Avenue S.E.

Cost: \$ 45.00 plus GST (\$48.15) Members  
\$ 95.00 plus GST (\$101.65) Non-Members

Upon receipt of the registration form, tickets for your table will be forwarded to your attention along with an invoice. All ticket orders should be forwarded by Wednesday, February 18, 2004 at 12:00 noon.

## March General Meeting

### Networking Evening


Thursday, March 25, 2004

Reception: 5:00 p.m.

Location: Ranchmen's Club, 710 – 13th Avenue SW

Cost: No Charge for Members, Guests \$37.45 includes GST

Dress Required: Ladies: business attire  
Gentlemen: business attire, including jacket and tie

All members are required to confirm their attendance by return fax. Only guests are required to purchase a ticket. Please fax the order form and guest tickets will be sent to your office with an invoice. All ticket orders should be forwarded by Monday, March 22, 2004 at 12:00 noon. 



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The CAPL Education Committee is pleased to present the following courses:

## **Understanding Natural Gas Markets and Gas Marketing**

February 10, 2004      8:30a.m. – 4:30p.m.

This seminar will focus on the basic fundamentals of natural gas marketing. It will cover a brief discussion of the history of gas marketing, industry terminology, North American supply and demand, new areas of exploration, the demand growth forecasts driven by new power generation, transportation of natural gas, how to evaluate new pipelines and pipeline space, storage, and the basics of risk management.

## **Alberta Limitations Act**

February 24, 2004      8:30a.m. – 12:00p.m.

Limitations periods apply to all activities in the oil and gas business and companies can lose valuable rights if they do not take proceedings to enforce the same within the appropriate time frame. Since issues with respect to Limitations affect all companies' operations, it is important that selected personnel in every department, position or capacity have a working knowledge and understanding of the new Alberta Limitations Act to enable them to determine when it is necessary to take steps to ensure that their company's rights are not statute-barred.

## **Economic Considerations for Land Deals**

February 25 & 26, 2004      8:30a.m. – 4:30p.m.

This course will cover the basics of measuring project value from an economic perspective. The advantages and disadvantages of alternate methods of value measurement will be discussed, with an emphasis on discounted cash flow analysis and the related profitability criteria. Techniques for incorporating risk analysis into evaluations will be presented. Practical examples and applications of the materials covered in the seminar will be provided.

## **Freehold Mineral Lease**

March 4, 2004      8:30a.m. – 4:30p.m.

This course will include a discussion on the Torrens System in Alberta, the concept of indefeasibility and its qualifications, the Assurance Fund, historical searches, registration and caveats. An overview of the nature and ownership of oil and gas in place will be covered. The principle features of the lease and its standard clauses, the formalities of completion and execution of the lease, the termination of the lease, and top leasing are also discussed.

## **Selected Developments in Oil & Gas Law**

March 5, 12 & 19, 2004      8:30a.m. – 4:30p.m.

This 3 day seminar will review the manner in which Courts have dealt with selected issues in oil and gas law; illustrate the effect of the said decisions on the everyday practices and procedures of the industry; demonstrate how to identify similar problems in the future; provide practical suggestions on how to avoid or resolve the said legal issues; and explain the rationale behind the said decisions and recommendations.


## **The ABCs Part II – Now You're a Year Old**

March 9, 2004      8:30a.m. – 4:30p.m.

This course focuses on two topics in detail. The first topic is on the trailing perspective, which includes the various components involved in reporting annually and producing quarterly reports. The second topic is on the leading perspective, which discusses the purpose, the audience, and the different types and methods of projections.

## **Oil and Gas Law**

March 10 & 11, 2004      8:30a.m. – 4:30p.m.

This seminar will focus on complex legal issues (contractual, operational and environmental) which arise in the context of the oil and gas industry. Instructors will review and discuss relevant case law and recent judicial regulatory decisions affecting the industry. 

---

For further information or to register, please contact the CAPL Office at 237-6635, email: [dgrieve@landman.ca](mailto:dgrieve@landman.ca), or complete a registration form and fax it to 263-1620.  
Visit our website at [www.landman.ca](http://www.landman.ca) for the full calendar of seminars.



# Simplifying Seismic

*This is the third chapter in a series which will explain the seismic process in simple terms. Designed specifically for non-technical personnel in the oil industry it should provide a forum for information and questions. This instalment will focus on the relationship between subsurface geology and the seismic trace.*

## 1. Geology Essentials

Subsurface sedimentary geology is a complex assemblage of varying rock layers modified to a greater or lesser extent by tectonic processes causing deformation (structure). The Western Canada Sedimentary Basin (Figure 1) contains a thick pile of clastics (sandstones and shales) and carbonates (limestones, dolomites and associated shales) extending from Manitoba to beneath the Front Ranges of the Rockies. It is also a three-dimensional entity (Figure 2). These rock formations contain oil and natural gas in substantial quantity and have provided exploration drilling targets and production for over 80 years.

**Cross-section: Western Canada Sedimentary Basin**

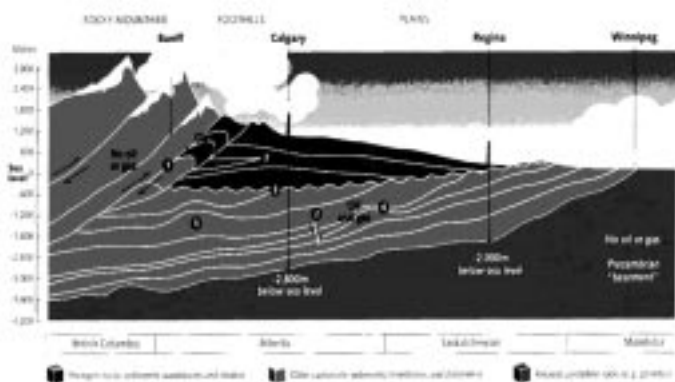


Figure 1

The most prolific are the Cretaceous sandstones such as the Cardium (Pembina), and the Viking (Redwater), and the Devonian carbonates which provide significant reservoirs at fields such as Leduc, Redwater, Caroline and Ladyfern.

## 2. Well Logs and the Seismic Trace

Engineers utilise well logs (Figure 3) to identify the various rock types, their characteristics and thicknesses in the borehole as a prelude to completion. Well logs are run over select intervals but it is a funda-



Figure 2

mental that the logging tools must be "taken" to the formation (Figure 4a). All logging tools have very limited depth of penetration and can only measure accurately over very small distances. It is therefore impossible to acquire well logs without having first drilled the borehole.

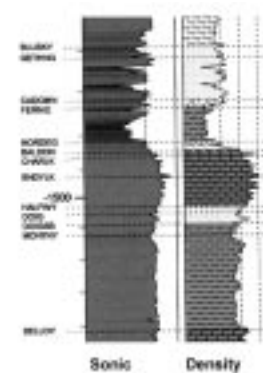


Figure 3



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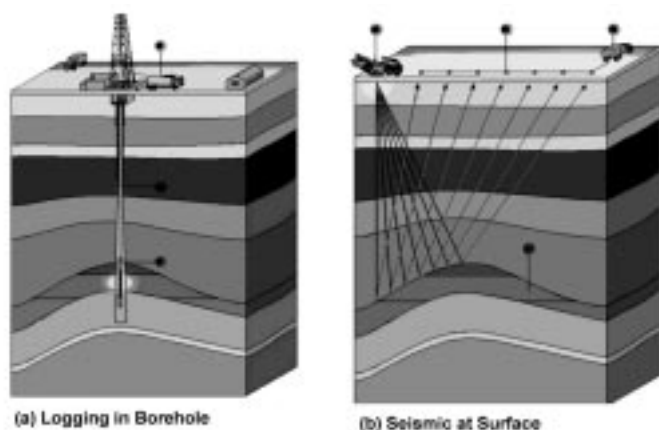


Figure 4a & 4b

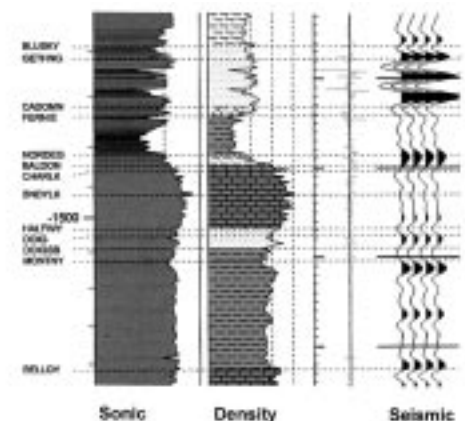


Figure 5

Seismic data (trace) recorded at a geophone is essentially a log but with the difference that the information is generated from a source (shot/hole) at or near the surface and a receiver (geophone) placed some distance away from the source, also at the surface (Figure 4b). Thus the measured seismic signal travels a much greater distance, from surface to geological formation and back again. This is the fundamental difference between seismic and logs. Well log signals can only travel tens of centimetres while the seismic signal travels thousands of metres. This dichotomy produces the difference in resolving power where logs can measure intervals of centimetres and seismic is restricted to intervals of tens of metres (Figure 5).

The seismic trace, like the well log, is a series of signals strung together in a daisy chain. Each individual signal is the result of the interaction between a downward moving energy pulse being reflected back to the surface by a series of geological boundaries. The interval between signals is clearly a function of the thickness of formation the signal must travel through from top to bottom.

As the signal returns to the surface it causes a slight movement of the geophone, either upwards or downwards. This movement is converted into a signal by the action of a magnet/coil assembly in the phone.

Well logs measure rock properties. Any change in the measured property (density, resistivity etc.) produces an increase (transgression to the right) or a decrease (transgression to the left) in the log behaviour. Seismic signals behave the same way by moving to the right (positive) or to the left (negative). This is the essence of seismic polarity.

### 3. The Earth Effect on the Seismic Signal.

While well logs have the advantage of recording detailed information over small distances, the seismic signal is affected by its return journey through the earth to each geological boundary. Thus the signal suffers progressive wear and tear and its condition at the geophone is severely damaged. This is referred to as convolution. The signal requires restoration in data processing with the technique known as deconvolution.

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## Basics of the seismic method

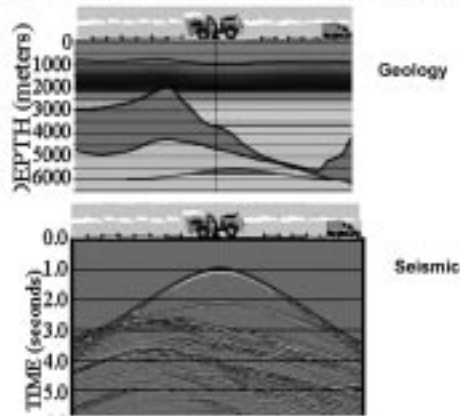


Figure 6

In addition, geological complexities such as structural anticlines, reefs, salt and shale domes cause distortion and displacement (of the reflected energy: this is analogous to the physics of optical instruments such as mirrors. Daily contact with a plane mirror during the acts of shaving, brushing teeth etc. produces routine pattern behaviour and the assumption that the image observed in the mirror is true. Childhood adventures

in the House of Mirrors with mirrors which are other than plane, namely convex or concave, demonstrate that images from other than plane surfaces are distorted, either magnified or diminished. Thus seismic energy is affected by the nature of the surface (convex or concave) from which it is reflected. This produces severe distortion of the image, referred to as demigration, and requires correction through data processing. The correction process to produce a true image is called migration (Figure 6).

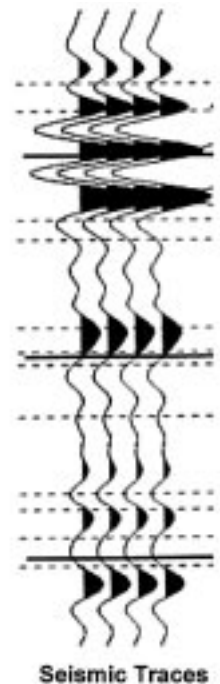


Figure 7

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Thus the seismic signal is damaged and displaced during its earth journey and requires rehabilitation in the data processing stage. This is the fundamental reason why data processing is necessary. In addition the data is contaminated by noise associated with the shot, wind, rain, power lines and equipment as well as other factors such as earth attenuation and absorption.

It becomes evident that the earth effect on seismic data is so severe (Figure 7) that the trace can never produce the finesse and detail that is available in well logs. However, the saving grace is that seismic data can be recorded without the need for the wellbore. The swings and roundabouts here should be obvious ... well logs have much better information but come at a cost, namely first drill the well. Seismic has less detail but can be acquired in abundance before the well at relatively low cost.

In practice the industry has accepted the fact that seismic data has reduced the drilling risk by providing fairly reliable images of the

***"Seismic is non-unique and its design and implementation in the field and in the processing centre is critical for reliable imaging."***

geological structure and stratigraphy ahead of the drilling bit. It is rare that an exploratory well is drilled without seismic, or on a seismic shotpoint location. However, the essence of this chapter is that seismic is non-unique and its design and implementation in the field and in the processing centre is critical for reliable imaging.

These aspects of the seismic method, such as design criteria for specific geological objectives, will be discussed in more detail in subsequent chapters. The intention here has been simply to provide an overview of the basic relationship between geology, well logs and seismic data. They are all intimately related. **N**

Dr. Easton Wren

*Note: Questions on this and subsequent articles are invited. Please send any question by email to the author at: [eastonw@telus.net](mailto:eastonw@telus.net).*

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# Inaugural Christmas Party & Silent Auction a Success

The CAPL Christmas Party held annually at the December General Meeting has been a traditional event for CAPL members for many years. Always one of the best attended monthly meetings during the year, the Christmas Party has, over its history, featured visits from Santa Claus who warned of landmen, both naughty and nice, and young choirs who entertained the group with Christmas carols. This year, for the first time, the CAPL hosted a Silent Auction as part of the evening's festivities to raise money for the Canadian Petroleum Landmen's Scholarship Trust Fund. The Fund helps to provide scholarships for students enrolled in the Petroleum Land Management Program at the University of Calgary and the Land Agents Program at Olds College.



"The CAPL Christmas Party has, over the years, evolved for a variety of reasons," explained Kevin Burke-Gaffney, member of the CAPL Meetings Committee which is given charge under the direction of the CAPL Executive to arrange the monthly meetings throughout the year. "The concept of a silent auction to help raise badly needed funds for the Landmen's Scholarship Trust Fund was put forth by the Meetings Committee and received the support of the Executive. The idea that it could play a big part in the Christmas Party seemed to us to be a natural fit insofar that we would have a meeting which would be well attended and people may be more inclined to financially support a very worthwhile cause at this time of year. And, it should be fun and I think we accomplished that."

With almost 35 items up for bid including original oil paintings, wine packages, gift baskets, sporting equipment, and an assortment of weekend get-aways, there was sure to be something of interest for all of the almost 400 CAPL members and guests who attended the meeting, especially if you were looking for a unique Christmas gift for that special someone. "Our sponsors really stepped up to the plate with some unique prizes. There is no question that without their support the evening would not have been nearly as enjoyable," added Kevin Burke-Gaffney. "Rob Sheedy and Lance Petersen from our Meetings Committee must be congratulated on the great job they did canvassing our member and industry companies for contributions. Given that we raised over \$4,500.00 for the Scholarship Trust Fund in our first attempt at this sort of thing, I believe there's no reason that the Silent Auction couldn't become even more successful in the future as an integral part of each year's Christmas Party."

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Income Trust	Northrock Resources Ltd.
Clear Energy Inc.	Petroland Services (1986) Ltd.
Compton Petroleum Corporation	Prairie Land & Investment
Crispin Energy Inc.	Services Ltd.
Devon Canada Corporation	Proactive Surface Solutions
Divestco.com Inc.	(2000) Ltd.
El Paso Oil & Gas Canada, Inc.	Progress Land Services Ltd.
Enerplus Group	Scott Land & Lease Ltd.
Fairborne Energy Ltd.	Simply Charming
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The Meetings Committee gratefully acknowledges the generous support of the aforementioned sponsors of the Silent Auction at the December 3rd General Meeting.

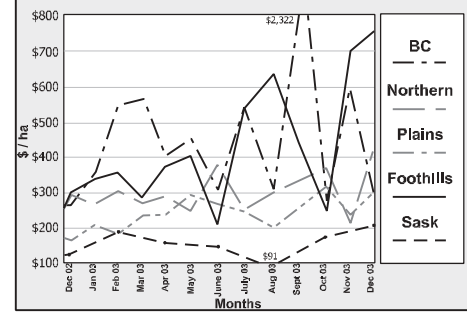
As part of its mandate to provide interesting and thought-provoking speakers at selected General Meetings, the Meetings Committee is very pleased to welcome Mr. Mike Harris, former Premier of Ontario, as the Keynote Speaker at the CAPL Management Night Meeting in February. "We are very excited at the prospect of having Mr. Harris speak at our Management Night Meeting," said Connie De Ciano, Chairman of the Meetings Committee. "Mr. Harris' presence at an event where we try to showcase the CAPL to our management will, no doubt, attract senior executives not only from our member companies, but also from industry and businesses across the city. Given what has transpired in Canadian politics during the last several months, we have every confidence that Mr. Harris' visit to Calgary and his speech to the Canadian Association of Petroleum Landmen will be very keenly anticipated in the oil patch and business circles in Calgary." Tickets to the Management Night Meeting are for sale at the CAPL Office. **N**

CAPL Meetings Committee

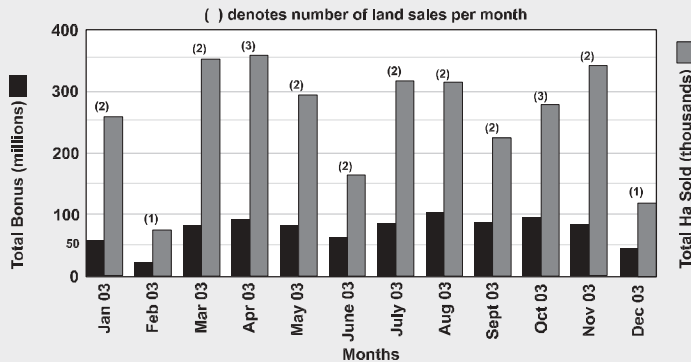
# Western Canada

## Land Sale Review

### Regional Trends - Average \$/Ha



### Alberta - Past 12 Months



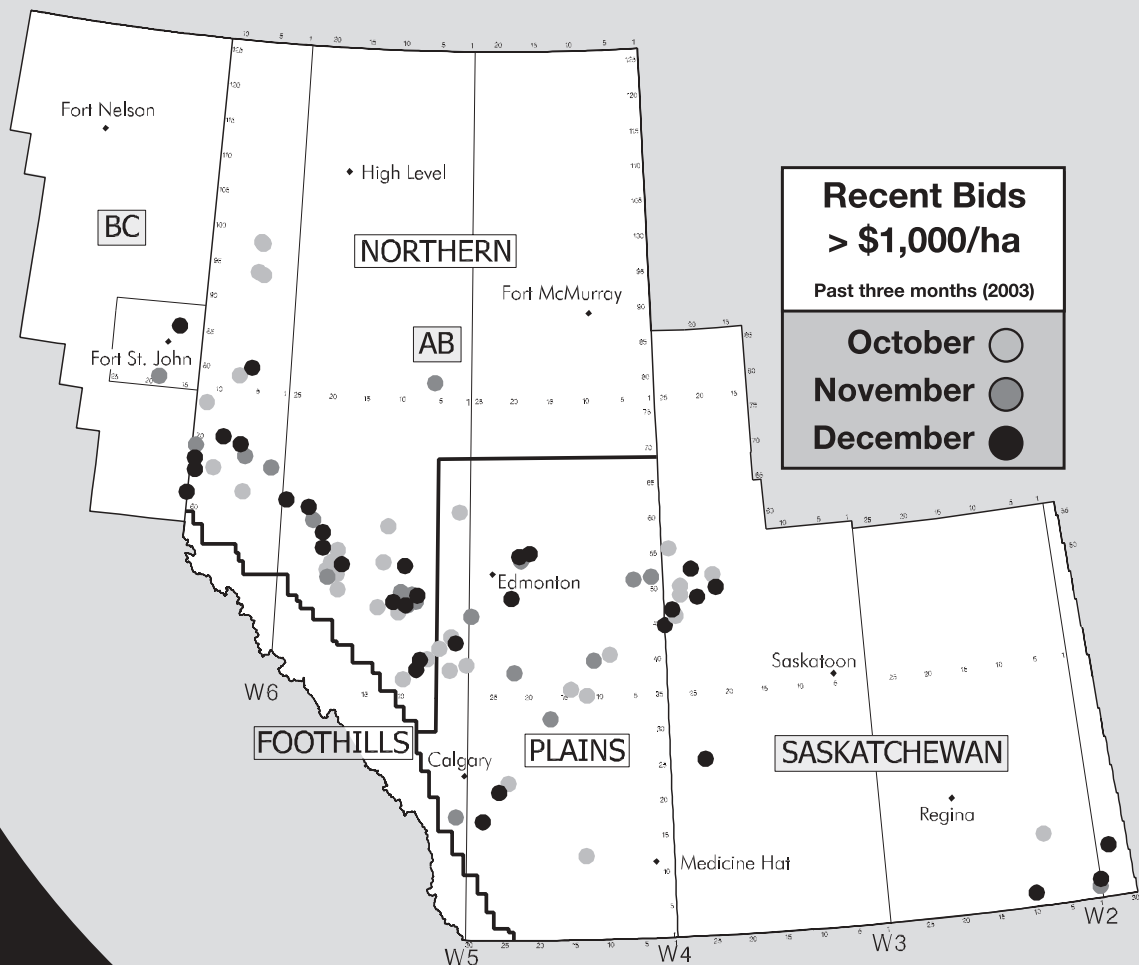
### December 2003

AREA	Total Ha Sold (thousands)	Average \$ / Ha
BC	18	\$ 303
Northern	73	\$ 411
Plains	45	\$ 299
Foothills	1	\$ 743
Sask	76	\$ 204

NOTE - All numbers are rounded off

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# Michael D. Harris

Mike Harris was born in Toronto in 1945, the second son of Hope and Deane Harris, and raised in Callander, Ontario. Growing up in northern Ontario, Mike Harris learned many of the important principles that guided him as Premier of Ontario from 1995 to 2002.

Through his parents, Mike learned the importance of hard work and respect for others. And growing up, he saw these principles at work in the lives of the friends and neighbours of his hometown. When Mike was fifteen, the family developed a tourist resort and marina on the Callander Bay of Lake Nipissing. As a teenager, he worked as a paperboy, marina operator and guide – leading tourists to the best fishing spots. These early years led to a genuine love of nature and made Mike Harris the avid sportsman, golfer and skier that he is today.

Prior to his election to the Ontario Legislature in 1981, Mike Harris was a schoolteacher, a School Board Trustee and Chair, and an entrepreneur in the Nipissing area. And, on June 8, 1995 Mike Harris became the twenty-second Premier of Ontario following a landslide election victory. His plan — the Common Sense Revolution — struck a chord with people across the province who were tired of big government, wasteful spending, rising welfare rolls and rising unemployment.

Over the next four years, Mike Harris and his team at Queen's Park worked hard to make Ontario a better place. They cut taxes, reduced red tape and eliminated barriers to stimulate growth. They turned an \$11 billion deficit into a \$3 billion surplus and passed balanced budget legislation. The economy grew, unemployment fell and jobs and investment returned to the heartland of Canada.

In his first term, he proved that he was not afraid to make tough choices needed to put Ontario back on track. Four years later, the voters of Ontario re-elected Mike Harris and his team — making him the first Ontario Premier in more than 30 years to form a second



*Mike Harris  
Management Night  
Thursday, February 26, 2004*

consecutive majority government. And – Blueprint – Mike Harris' 1999 plan to keep Ontario on the right track – ensured that Ontario continued to grow and compete in the global marketplace.

Mike Harris' leadership led to 600,000 fewer people on the welfare rolls and over 845,000 new jobs in Ontario. Throughout his years in public life, Mike Harris showed, time and again, that he was on the side of everyday people: by being a champion of tax cuts and a strong supporter of small business; by setting high standards for Ontario schools, teachers and students; by creating a modern, accessible health care system that will meet the needs of our growing and ageing population; by helping thousands escape the welfare trap and find the dignity that comes with a job; and by

making government more accountable and efficient. Today, thanks to Mike Harris, Ontario is stronger and more productive.

After leaving office, Mr. Harris joined the law firm of Goodmans as a Senior Business Advisor, and acts as a Board Member, consultant and advisor to various Canadian companies. With over 25 years of dedication to public service, he has unique expertise in shaping public policy and managing stakeholder issues. His in-depth knowledge of government and business helps to provide clients with insight on business strategies.

Mr. Harris is also a Senior Fellow of the Fraser Institute, a leading Canadian economic, social research and education organization. He also serves as a Director of the Tim Horton Children's Foundation, sits on the Board of Vince Carter's Embassy of Hope Foundation For Children, as well as the St. John's Rehabilitation Hospital Foundation.

Since ending his time as Premier in 2002, Mike Harris has enjoyed spending more time with his own children – 18 year-old Mike Jr. and 12 year-old Jeffrey. <sup>N</sup>



# 2nd Annual CAPL Calgary Flames Game



## Calgary Flames vs. Edmonton Oilers Tuesday March 9, 2004

Join your friends from CAPL and watch the Battle of Alberta. This will be your last chance this season to see the Flames whip the Oilers into shape.


Join us at 5 p.m. for a pre-game party at The Whiskey (Saddledome location) for a chance to catch up with friends over some appetizers and a few cold beverages.

Fee: Only \$55.00 – GST included!

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Calgary, Alberta  
T2P 0J4

Attention: Kim van de Pypekamp  
Personal & Confidential

For further information or to inquire about being a sponsor for this event please contact

Gary Lebsack	glebsack@br-inc.ca	260-6517
Walter Vratarić	walterv@rockcreek.ca	537-1132
Rob Sheedy	rsheedy@clearenergyinc.com	410-3109 

## Some interesting news bits...

Divestco is torqued to share some exciting news. International Datashare Corporation has joined our family, as Divestco's list of oil & gas software tools and services keeps expanding.

We're also pleased to announce  
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# Roster Updates

## New Members

The following members were approved at the January 6, 2004 Executive Meeting:

<i>Applicant</i>	<i>Current Employer</i>	<i>Sponsors</i>
<b>Active</b>		
None		

## Student Members

Baldwin, Anthony	University of Calgary	Bob Schulz
Brenner, Eric	University of Calgary	Bob Schulz
Kendrick, Candace	University of Calgary	Bob Schulz
Waldo, Billy Joe	Olds College	Doug Peters
Waldo, William	Olds College	Doug Peters

## On the Move

Gary Aitken, P.Land Judelle Resources Inc. To Chowade Energy Inc.	Margaret Davidson EnCana Corporation To PrimeWest Energy Inc.
Rodney Banks Petrovera Resources To Resolution Land Services Ltd.	Bill Davis, P.Land Sine Energy Ltd. To Find Energy Ltd.
Elizabeth Burke-Gaffney, P.Land Finjay Enterprises Inc. To KVR Resources Ltd.	Guido De Ciano Petrovera Resources To Harvest Operations Corp.
Rick Cheetham, P.Land Burlington Resources Canada Ltd. To Livingston Energy Ltd.	Lavonne Dubois, P.Land Independent To Apache Canada Ltd.
Greg Chury, P.Land Race Rock Resources Ltd. To Independent	Al Frederick Poplar Hill Resources Ltd. To Cattalo Resources Ltd.
Kelly Cowan Outback Energy Inc. To Outback Exploration Ltd.	Dan Fry Whitehall Energy Ltd. To Ignite Energy Corp.
Neil Cusworth, P.Land Apache Canada Ltd. To Cusworth Oil & Gas Ltd.	Bill Giese Hushion McCall & Associates Ltd. To HMA Land Services

Lorraine Grant, P.Land  
Independent  
To Apache Canada Ltd.

Janet Harren  
Standard Land Company Inc.  
To EnCana Corporation

Guy Jones  
Warwick Energy Ltd.  
To Jadon Associates Ltd.

Jahn Light  
Anadarko Canada Corporation  
To Independent

Mike McGeough  
MarkWest Resources Canada Corp.  
To Berens Energy Ltd.

Cindy McKenna  
McKenna Consulting Inc.  
To Blizzard Energy Inc.

Jeff McManus  
Caribou Land Services Ltd.  
To Direct Energy Resources

Ken McNeill, P.Land  
Navigo Energy Inc.  
To Gibraltar Exploration Ltd.

Jack McNeill  
EnCana Corporation  
To Sundance Land Services Ltd.

Trudy Munro  
D.J. Resources Ltd.  
To ConocoPhillips Canada  
Resources Corp.

John Nesbitt, P.Land  
Talisman Energy Inc.  
To Capitol Energy Resources Ltd.

Laurel Payten  
Canadian Natural Resources Limited  
To Independent

Murray Robertson, P.Land  
Harvest Agencies  
To Compton Petroleum Corporation


Ken Rossi  
Gauntlet Energy Corporation  
To Hunt Oil Company of Canada, Inc.

Lorne Schwetz  
Talisman Energy Inc.  
To APF Energy Group

Gerry Talbot  
Independent  
To Ellis Land Inc.

David Taylor, P.Land  
Husky Oil Operations Limited  
To Compton Petroleum Corporation

Gordon Timm, P.Land  
Penn West Petroleum Ltd.  
To 624303 Alberta Ltd.

Aldo Villani  
Vintage Petroleum Canada, Inc.  
To Penn West Petroleum Ltd. 



**Lake Louise**  
October 3-6, 2004

# The Social Network

## 27th Annual CAPL Curling Bonspiel



It's that time of year again to start thinking about bringing out your broom and slider for the 27th Annual CAPL Curling Bonspiel.

Once again, the Bonspiel will be held at the Calgary Winter Club but **the date has changed to Thursday,**

**March 11, 2004.** Curling will start at 1:00 p.m. followed by dinner, entertainment and prizes.

This year's headliner will be the famous comedian Mike McDonald. This is a fun event, geared towards networking with your fellow landmen, so no previous curling experience is necessary.

The entry fee is \$65.00 for CAPL members and \$75.00 for non-members (GST included). Entry forms are available in this February issue of *The Negotiator* and must be received no later than Thursday, February 26, 2004. If you require further information on this event, or if your company is interested in sponsoring this event, please contact Mike Mork at 266-2858 or Ian Ross at 750-1261. **N**

## Attention Skiers and Snowboarders

With the new snow in Calgary it's time to start planning your next ski trip. If you are thinking about getting out to the mountains for some skiing or riding, this year's CAPL Ski Trip is scheduled for March 5-7, 2004 to Kimberley, B.C.

Join us for two days of skiing and two nights at the Trickle Creek Resort Inn by the Marriott located right at the base of the lifts. Check your January and February issue of *The Negotiator* for a registration form. Space is limited to 48 people.

If you have any questions please call:  
Keenan Cannady, Replay Resources Ltd.  
290-6809 **N**



## 2004 CAPL Squash Tournament

### The Glencoe Club

636, 29th Ave SW, Calgary, Alberta

Saturday, March 13, 2004 at 5:00 p.m.

Entry Fee: \$48.15

The entry fee includes GST, a shirt, prizes, food and beverages

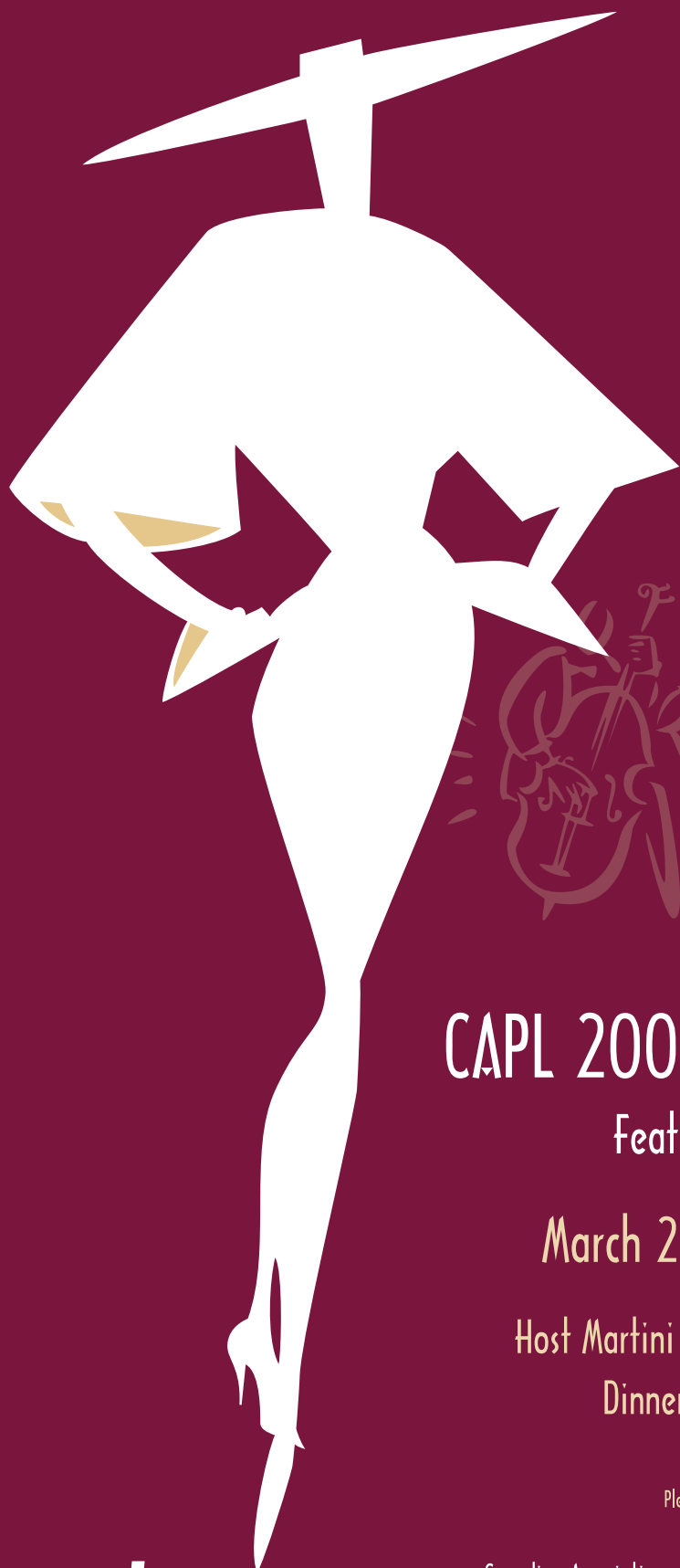
We would like to welcome all CAPL members and their guests to the 2004 CAPL Squash Tournament. This tournament encourages all levels of players from beginners to the very best players in the city. Please return the attached entry form and cheque made out to the 2004 CAPL Squash tournament to:

Scott Clapperton, c/o Rockford Land Ltd.  
2016, 56 Ave SW  
Calgary, Alberta T3E 1M8

Check in at the west entrance and head down to the squash courts. Darts and pool in the Corner Pocket Sports Bar after the tournament. This tournament is a great way to promote and market your company and yourself. If you are interested in sponsoring this event please contact:

Pat Burgess	pburgess@thackrayburgess.com
Dave Leslie	dglelsie@telusplanet.net
Kofi Prah	kofi.prah@devoncanada.com
Scott Clapperton	rockfordland@shaw.ca
Steve Ludgate	Stephen.ludgate@paramountres.com
Brad Purdy	bpurdy@tigerenergy.net
Kevin Koopman	kkoopman@scottland.ca
Don Austin	daustin@capiopetroleum.com

Please note that white clothing is required for racquet sports at the Glencoe. **N**



# JAZZ!

## UP YOUR SPRING

### CAPL 2004 President's Spring Ball

Featuring The Mocking Shadows

March 27, 2004 The Westin Hotel

Host Martini & Cocktail Reception 6:00 – 7:00 pm

Dinner 7:30 pm Dancing 9:30 pm

Ticket Price: \$80.25

Please see insert in The Negotiator for registration details



Canadian Association of Petroleum Landmen

350, 500 – 5 Avenue S.W. Calgary, Alberta T2P 3L5 Phone: 403.237.6635 Fax: 403.263.1620



# Olds College Update



## Land Agent & Land Administration Program Invitation

You are cordially invited to meet students graduating from the Land Agent/Land Administration Programs at our 22nd Annual Reception to be held:

Thursday, March 18, 2004 from 4:00 - 7:30 pm

at the Fairmont Palliser Hotel  
The Crystal Ballroom  
9th Ave. & 1st St. S.W.  
Calgary, Alberta

Please R.S.V.P. by March 5th, 2004 to Tara Lloyd by phone (403) 556-8207 or via e-mail [tlloyd@admin.oldscollege.ab.ca](mailto:tlloyd@admin.oldscollege.ab.ca). Your attendance and support of this reception is greatly appreciated. **N**

# Call For Nominations



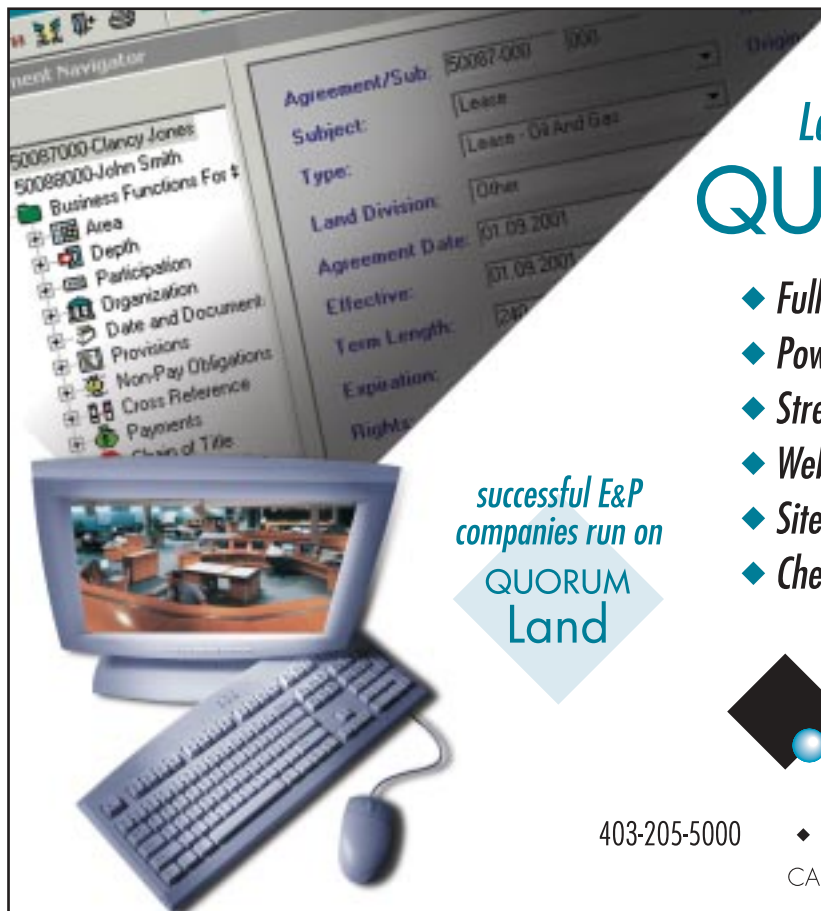
It is that time again when we start to look for candidates to run for the CAPL Board of Directors.

If you wish to run for the Board or nominate someone to run for the Board please contact anyone on the Nominating Committee as follows:

Carolyn Murphy 517-8794  
Dennis Eisner 232-7420  
Sandy Drinnan 206-6015  
Dave Horn 645-2113

Your assistance and co-operation in this endeavor is greatly appreciated. Please remember this group represents you, the membership, so make sure your voice is heard.

Nominations Close March 22, 2004 **N**



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# CAPL Calendar of Events

## February

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3 Executive Meeting N	4 Alberta Land Sale N	5 Oil Sands Tenure NAPE Concurrent Gas Bitumen Production Gin Tournament N	6 N	7
8	9	10 Sask. Land Sale Understanding Natural Gas Markets and Gas Marketing N	11 Manitoba Crown Sale N	12	13	14
15	16 Family Day N	17	18	19	20	21
22	23	24 Alberta Limitations Act N	25 Economic Considerations for Land Deals B.C. Land Sale N	26 Management Night N	27	28
29						

## March

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2 Executive Meeting N	3 Alberta Land Sale N	4 Freehold Mineral Lease N	5 Selected Developments in Oil & Gas Law CAPL Ski Trip N	6 N
7 CAPL Ski Trip N	8	9 The ABCs Part II – Now You're a Year Old CAPL Calgary Flames Game N	10 Oil & Gas Law N	11 CAPL Curling Bonspiel N	12 Selected Developments in Oil & Gas Law N	13 CAPL Squash Tournament N

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### Lloydminster

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Facsimile: (780) 808-5263

### Grande Prairie

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Facsimile: (780) 513-8541

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