Mark Your Calendars Now!  
CAPLA Conference 2006  
“Building Energy Together”  
May 11, 12 and 13, 2006  
Roundup Centre and Hyatt Regency Hotel

CAPLA Conference 2006 Committee
Aimee & Melody — Office Co-ordinators  
Cathy Lotwin — Sponsorship Co-ordinator  
Cindy Ganong — Education Co-ordinator  
Kerrie Etson — Facilities Co-ordinator  
Victoria Jackson — Conference Assistant

Carol Gardipie — Speaker Co-ordinator  
Chantal Duval — Events Co-ordinator  
Kelly Erickson — Member Services Co-ordinator  
Val Anderson — Volunteer Co-ordinator  
Deb Waterhouse — Special Events Director

Special thanks to Zenwill Sequeira for choosing the theme for the CAPLA Conference,  
“Building Energy Together”.  
Zenwill won a $100 gift certificate!

If you are interested in volunteer opportunities with CAPLA Conference 2006,  
please e-mail Val at Valrie.Anderson@cnrl.com
### Board of Directors

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<th>Position</th>
<th>Name</th>
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<tr>
<td>President</td>
<td>Audrey Atkins</td>
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<td>Vice-President</td>
<td>Ty Hansen</td>
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<td>Secretary</td>
<td>Barbara MacBeath</td>
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<td>Treasurer</td>
<td>Sherry Sturko</td>
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<td>Kevin MacFarlane</td>
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<td>Karen Pugsley</td>
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<td>Education</td>
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<td>Events</td>
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<td>Government Relations</td>
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- **Publication Schedule**
  - **Article Submission**
    - March 16, 2006
    - June 21, 2006
    - October 11, 2006
  - **Deadline Mailout**
    - April 25, 2006
    - August 22, 2006
    - November 23, 2006

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Effective January 1, 2006 CAPLA’s membership was 2130.

All articles printed under an author’s name represent the views of the author.

Publication neither implies approval of the opinions expressed nor accuracy of the facts stated.
Corporate Governance

Many CAPL and CAPLA Members have become involved in activities related to Sarbanes-Oxley compliance or have at least heard about it. In this article, I intend to discuss and provide a brief overview of some of the more important provisions relating to Sarbanes-Oxley. Sarbanes-Oxley, which applies to Canadian companies trading publicly on any U.S. stock exchange, is regarded as one of the most important current pieces of legislation affecting corporate governance, financial reporting and accounting practices. The Act represents the most significant increase in the federal regulation of public companies in the U.S. since the 1930s. The goal of the Act is to protect investors by improving the accuracy and reliability of corporate disclosures made pursuant to securities laws. Basically, it requires that all public companies listed on a U.S. stock exchange, wherever situated, must comply with the Act and establish internal controls and then set out how financial reporting is governed and the penalties for failure to do so.

Sarbanes-Oxley Act Provisions

Sarbanes-Oxley has broadened the scope of accountability for CEOs by requiring them to personally certify their company’s financial reports while exposing them to significant penalties, including $5 million in fines and up to 20 years in prison. Section 404 of the Act requires that each annual report of a company contain both (1) a statement of management’s responsibility for establishing and maintaining an adequate internal control structure and procedures for financial reporting, and (2) management’s assessment at the end of the most current fiscal year of the effectiveness of the company’s internal control structure and procedures for financial reporting. The Section also requires the company’s auditor to attest to and report on management’s assessment of the effectiveness of the company’s internal control and procedures for financial reporting. This attestation is more formal and is required to meet the standards of standard attestation engagements. Section 404 also requires each issuer to disclose whether it has adopted a code of ethics for its senior financial officers and, if it has, the contents of such code. The issuer is also required to make prompt disclosure of any change or waiver in its code of ethics which must be made available to the public. Section 407 of the Act requires the Securities and Exchange Commission (“SEC”) to issue rules that the company disclose whether at least one member of its audit committee is a financial expert. Section 409 of the Act requires issuers to disclose “on a rapid and current basis” such additional information concerning material changes in the financial condition or operations of the issuer. Also, Section 402 of the Act renders it unlawful for a public issuer to extend credit to any director or executive officer. The exception is where such credit is extended by the company “in the ordinary course of business”.

As of August 29, 2002 companies are required to comply with Section 302 of the Act wherein CEOs are
required to certify that the company has established and is maintaining internal controls. CEOs are thereafter required to certify annual and quarterly reports in precisely the form provided and the required CEO certification must appear directly after the signature page of the report. Furthermore, under Section 404 of the Act, CEOs are now required to evaluate and comment upon the effectiveness of internal controls and procedures. Obviously many of the provisions in the Act and the details of its implementation are extremely complicated and outside of the scope of this brief overview.

Various rules have thus far been adopted by the SEC to implement the provisions of Sarbanes-Oxley. On August 27, 2002 the SEC adopted rules requiring CEOs to certify financial and other information in their companies’ quarterly reports. Maximum penalties for willful violations of these requirements are fines of up to $5 million and up to 20 years imprisonment. Also, on January 15, 2003, the SEC adopted rules requiring companies to disclose whether they have a code of ethics for their directors, financial officers and senior accounting personnel. The SEC has been busy adopting a variety of other rules but suffice it to say that thus far, it has shown a willingness to intrude upon the management of companies unlike ever before.

On October 30, 2002 the SEC proposed a trading prohibition called a Blackout Trading Restriction (Reg. BTR). Section 306 of the Act contains a statutory trading prohibition for directors or executive officers with relation to securities acquired in connection with his or her services or employment as a director or executive officer. Under Reg. BTR, certain categories of transactions are exempted from the trading restriction. The exemptions include the acquisition of securities under dividend reinvestment plans, employee benefit plans, automatic compensatory grants, conversions of derivative securities occurring on a fixed date, acquisition in the form of a gift and acquisitions pursuant to a domestic relations order. The Act also changes the rules for directors who are convicted of securities fraud under section 10(b) of the 1934 Securities and Exchange Act. Such directors may now be prevented from acting as a director of a company that intends to issue shares on a public exchange in the U.S. if the SEC determines that such person’s conduct “demonstrates unfitness” to serve as an officer or director of an issuer.

Also on January 15, 2003, the SEC adopted rules implementing Section 407 respecting audit committee financial experts. In addition to the disclosure requirement of the existence of at least one financial expert on each audit committee, the rules expand the definition of financial expert. An audit committee financial expert must have an understanding of financial statements and generally accepted accounting principles in the U.S. (GAAP), an ability to assess these estimates, accruals and reserves using these principles, experience preparing audited financial statements, an understanding of internal controls and an understanding of audit committee functions. It should be noted that neither Sarbanes-Oxley, nor the new SEC rules require that an audit committee have a financial expert, only what is required if it does.

An individual will have to possess each of the above attributes in order to qualify as an audit committee financial expert. It is suggested that the task of public companies in pursuit of a financial expert could be formidable as the new financial expert rule describes a relatively small population in the accounting profession. Candidates will likely be limited to a public accountant, an auditor, a principal financial officer, a controller or a public accounting officer.

Penalties under Sarbanes-Oxley are severe. In addition to the penalties for failure to certify financial statements already discussed, securities fraud is now punishable by a $1 million dollar fine and up to 10 years imprisonment. Section 802 imposes up to 20 years imprisonment where a person knowingly covers up or makes a false entry for the purpose of impeding an investigation. Section 806 of the Act includes protection for employees who provide
information regarding any actions that the employee reasonably believes constitutes banking or securities fraud. Because of the onerous documentation requirements of the Act, and the fact that stiff penalties apply for destroying evidence, many corporations are considering archiving all financial and business records as well as email.

**Canadian Issues**

One must realize that the increased regulatory scrutiny that is the foundation of Sarbanes-Oxley does not stop at the Canada-U.S. border.

Any Canadian corporation that does business in the United States or is registered with an American stock exchange must comply with the Act’s requirements. Under current law, any company that wants to sell securities to the public in the U.S., or wants to list securities on any exchange in the U.S. market, must reconcile its financial statements to U.S. accounting rules and comply with American securities laws including the provisions of Sarbanes-Oxley.

To put it simply, the Sarbanes-Oxley Act has increased the costs of maintaining a listing on a U.S. stock exchange for Canadian companies. This is important for a number of reasons. If a Canadian company has a listing on a U.S. stock exchange, makes registered securities offerings in the U.S. or is a subsidiary of such company, the chances are good that Sarbanes-Oxley could have a significant impact on its operations. U.S. regulators have made it clear that U.K. and Canadian corporate practices that meet English and Canadian law and regulatory requirements may not necessarily meet the requirements in the U.S.

One of the impacts of Sarbanes-Oxley is that many Canadian companies may be wondering whether a listing on a U.S. stock exchange is worth the trouble. A U.S. share listing generally enables foreign corporations to raise capital from more diverse sources. It also permits the foreign companies to raise capital utilizing both currency as well as financial instruments. Most importantly, access to the U.S. market permits the company to develop a wider investor base and ultimately, to demonstrate that the corporation truly is a global enterprise. The costs of Sarbanes-Oxley are considered substantial with the most serious impacts being in the areas of audit fees, liability insurance and overall financial reporting costs. The requirement that corporate executives certify that internal financial controls are adequate, and the further requirement that outside auditors attest to the accuracy of management’s conclusions, have raised audit fees substantially. Some companies have also been concerned about the ban on corporate loans to executives. This provision was introduced in the aftermath of the Enron and WorldCom scandals which both involved loans to executives.

American and Canadian CEOs are becoming more concerned about increased risk and liability under Sarbanes-Oxley. In some cases, the response has been an extreme focus being placed upon compliance with the Act. Some CEOs remain concerned about their company’s compliance with the provisions of the Act and whether this compliance is fully imbedded in their organization. In a study undertaken by PriceWaterhouseCoopers LLP, while almost two thirds of CEOs recognized the importance of monitoring compliance with the Act, only one quarter of CEO respondents rated their company’s ability to monitor this compliance as being very good.

**Energy**

While Sarbanes-Oxley is not a piece of energy legislation per se, the fact that one of the more significant scandals involved the giant Houston-based energy company Enron...
was not lost on the legislators who introduced Sarbanes-Oxley. The enhanced financial reporting obligations in Sarbanes-Oxley extend to include the reporting of reserves as well as most other financial information. Even though Sarbanes-Oxley has not yet been fully implemented, the Act has in some cases already caused a downward revision in some company’s oil and gas reserves accounting where corporate officers and their accounting were unable to confirm the accuracy of the original reserve estimates. Needless to say, these new confirmation and attestation requirements and liability and penalties for failure to do so have resulted in caution being the new standard, at least where oil and gas reserves are concerned.

Last year, the Alberta Securities Commission adopted new guidelines designed to enhance the reserve evaluation and accounting process by setting clearer guidelines for classifying reserves. It has been suggested that the oil and gas industry in Alberta is thus far unconvinced that the introduction of more stringent reserve reporting obligations is equivalent to the changes experienced in the U.S. in the wake of Sarbanes-Oxley. Canadian reserve definitions found in National Policy 2-B have been replaced by National Instrument 51-101. The Alberta Securities Commission has recently adopted the provisions of National Instrument 51-101, which includes a new definition of reserves in the Canadian Oil and Gas Evaluation Handbook and which are intended to improve consistency in the application of reserve definitions. In effect, the new rule implements a third party certification requirement for reserve figures for public companies. It should be noted that this requirement exceeds that which is presently required in the U.S. where no such third party certification requirement exists.

National Instrument 51-101 came into effect on September 30, 2003 and oil and gas companies with shares trading on a Canadian exchange are required to comply with National Instrument 51-101 with respect to reserves reported December 31, 2003 and thereafter. In most cases, at the same time as companies release their annual financial statements, they will also be reporting estimates of their oil and gas reserves and related cash flow as prepared by an independent reserves evaluator. Suffice to say that in the wake of all these developments, many energy companies have been taking a hard look at their reserves.

Conclusion

Sarbanes-Oxley has not only changed the playing surface for U.S. corporate financial reporting, but it has also greatly increased the costs of such reporting, far more than originally estimated. Financial Executives International reports that each of the largest U.S. corporations is spending $4.6 million on Sarbanes-Oxley compliance.

As expected, the larger, more complex corporations with numerous subsidiaries are experiencing the highest costs related to implementing the internal control provisions of Section 404 of the Act. Canadian companies list their companies on U.S. stock exchanges to be able to gain access to U.S. capital markets. The option of gaining access to the U.S. market through means other than listing in the U.S. may be worth considering. Also, there may be other provisions of U.S. securities laws that might enable a Canadian company to sell its shares in the U.S. The SEC rules related to private offerings have not been repealed by Sarbanes-Oxley. SEC Rule 144A would still appear to permit Canadian companies to sell their securities in the United States as part of a private offering provided that the buyers are limited to institutional investors. The impact of these new requirements is that Canadian companies which seek to enter American capital markets and raise financing in the U.S. must establish comprehensive business policies, records and information retention programs together with audit trails in order to comply with Sarbanes-Oxley.

Glen L. Nazaruk
IBM Canada Ltd.
Performing services on behalf of
BP Canada Energy Company
Reclamation and Remediation of Land

The Government of Alberta has a program to make sure that reclamation and remediation of land that has been used for oil and/or gas development meets environmental standards. This article describes how this program, follow-up inspections and compliance are carried out.

Reclamation certification is required under Alberta’s Environmental Protection and Enhancement Act for construction, operation or reclamation activities on well and oil production sites, batteries or pipelines.

A working familiarity with the Province’s Upstream Oil and Gas Reclamation and Remediation program will help expedite certification for the operator of an oil or gas site.

Alberta Environment issues the reclamation certificates for sites on private land. Alberta Sustainable Resource Development issues them for public land sites.

The Alberta Government’s program is constantly updated to reflect improving technology. Even with improved processes, the time it takes to meet current certification standards is variable, dependent on the initial condition of the site, types of contamination present, the weather, and the geographic location. Processes such as bioremediation, the use of microbes to degrade organic contaminants, take longer.

Reclamation certification process

The reclamation certification process can be broken down into three steps.

Step I: Phase 1 Environmental Site Assessment (ESA)

A Phase 1 Environmental Site Assessment looks for contamination and compliance with drilling waste disposal. It includes a review of company files and the Energy and Utilities Board spill database, aerial photographs of the site, an interview with a person familiar with the site and a site visit. Alberta Environment offers two documents to guide this assessment:

- Phase 1 Environment Site Assessment Guideline for Upstream Oil and Gas Sites (2001).

The documents below support the Phase 1 Environment Site Assessment Guideline.

- Guidance for Use of the Phase 1 Environmental Site Assessment Guideline for Upstream Oil and Gas Sites, D&R/IL/01-1.
- Frequently Asked Questions on Conducting Phase 1 Environmental Site Assessments and Changes to the Phase 1 ESA Form, D&R/IL/02-1.
- The Phase 1 ESA Form (November 2002).

If there is potential for contamination, or insufficient information to complete the Phase 1 ESA, a Phase 2 Environmental Site Assessment is required.

Step II: Phase 2 Environmental Site Assessment (ESA)

The Phase 2 ESA identifies if contamination is present. A soil-sampling plan is developed, based on results from the Phase 1 ESA. This requires intrusive soil sampling in potentially contaminated areas and analysis at an accredited environmental lab.

Soil sampling must follow the quality assurance and quality control procedures published by the Canadian Council of Ministers of the Environment.

Remediation Requirements

If soil analytical data show contamination is present, additional sampling may be needed to determine the amount
of contamination exceeding Alberta Environment’s remediation requirements. Where remediation has to be done, additional soil sampling is generally conducted when the work is complete to ensure compliance with Alberta Environment’s remediation requirements.

An operator may prove that its site’s unique conditions permit a higher concentration of contaminants to remain without adverse environmental effects. To do so, the operator has the option to meet Tier II criteria. The option to use Tier II criteria for hydrocarbon contamination is described in the *Soil and Water Quality Guidelines for Hydrocarbons at Upstream Oil and Gas Facilities, Volume 3* (2001). Additional information is also available from the Canadian Council of Ministers of the Environment.

Tier II criteria require extensive toxicity testing on soil organisms, vegetation and a review of transport mechanisms. To get a reclamation certificate, site operators have to show that they are meeting equivalent land-use capability and will not require ongoing management or monitoring.

Sites that are “risk-managed” do not receive a reclamation certificate. This includes contaminated areas that are paved or capped.

**Remediation Governance**

Alberta Environment is responsible for in situ remediation, including contaminated soil, sludge or water.

The Energy and Utilities Board maintains and administers the remediation of excavated oilfield waste, including spill remediation and contamination from earth pits, ponds and storage tanks, both under and above ground.

The Energy and Utilities Board’s Guide 58, *Oilfield Waste Management Requirements for the Upstream Petroleum Industry* (1996) provides information on excavated oilfield waste. This type of waste must be managed as *ex situ* treatment or disposal.

This division of responsibility is described in detail in: *Memorandum of Understanding Between AEP and EUB on Suspension, Abandonment, Decontamination and Surface Land Reclamation of Upstream Oil and Gas Facilities* (1998), listed as Information Letter IL 98-02.

**Step III: Reclamation**

Reclamation can proceed, once Alberta Environment remediation requirements have been met.

Sites have to be contoured to the existing landscape for drainage purposes. Salvaged subsoil and topsoil are replaced to meet requirements described in Alberta Environment’s *Reclamation Criteria for Wellsites and Associated Facilities – 1995 Update*.

Before applying for a reclamation certificate, the site must have a new cover of vegetation of compatible species and data on at least one year of vegetation.

Application requirements for a reclamation certificate are contained in Alberta Environment’s *Upstream Oil and Gas Reclamation and Remediation Program, Detailed Program Changes: The Application Process*, R&R/03-08.

Site operators must send a copy of their completed application to the landowner or the occupant of the land, along with Alberta Environment’s *Acknowledgement of Information Disclosure* form.

The landowner or occupant can sign the form to acknowledge they have received a copy of the application for a reclamation certificate, without forfeiting their rights of appeal. The landowner or occupant has 30 days to return the form to the operator. Operators who do not receive this signed form within 30 days have to submit a completed *Statutory Declaration* form, available from Alberta Environment, along with their reclamation certificate application.

**Processing the application**

A Government of Alberta inspector conducts an administrative and technical review of each application. If the application is properly completed and the site meets provincial remediation and reclamation standards, a reclamation certificate is issued.

Incomplete or unclear applications that contain inconsistent information can delay or even prevent
an operator from receiving a reclamation certificate. Certificates are issued year-round.

Compliance
Alberta Environment and Alberta Sustainable Resource Development conduct random field audits on about 15 per cent of the sites that have received a reclamation certificate since October 2003.

There are two types of audits: surface reclamation and sub-surface contamination.

Surface reclamation audits include an inspection of the soil for topsoil depth, compaction, mixing of surface soil and subsoil, and site topography. The inspector also assesses the vegetation coverage, how compatible the plant species are to those on adjacent land, and inspects the site for weeds and rock.

Contamination audits include soil sampling at depth, using a drill truck to obtain samples from well centres, drilling waste disposal areas and flare pits at random on-site locations, plus background samples from undisturbed areas.

If the site does not meet Provincial standards after field audits or investigations into landowner/owner complaints, the reclamation certificate may be cancelled and additional remediation and/or reclamation work will be required.

Additional information
Additional information and the documents listed above are available at:

Canadian Council of Ministers of the Environment: www.ccme.ca.

Darlene Howat M.Sc., A.Ag
Remediation Specialist
Environmental Policy Branch
Alberta Environment
Government Relations Portfolio

The details below reflect the current status of each of the working committees within this Portfolio. Please remember that volunteers are always welcomed! Should you have any questions or ideas for new initiatives, please feel free to contact me via email at gregorl@telusplanet.net or directly to the specific Committee Chair.

Alberta

1. PNG Tenure Advisory Task Force
   - Industry Advisory Committee is Alberta Department of Energy (“DOE”) name for this group.
   - Next meeting scheduled for January 26, 2006.

2. P&NG Tenure Task Force
   - Alberta Continuation Application Form: Alberta Energy and members from the task force have been meeting to review the Continuation Application. Both parties have introduced revisions that will provide Industry with a revised Continuation Application form that will meet the needs of Alberta Energy and our Industry. The Committee’s next meeting is scheduled for Thursday, January 26, 2006 at 1:30 p.m.
   - Alberta Energy plans to introduce the revised Continuation Application Form in the Spring 2006.

3. e-Tenure Communications Working Group
   - Overview and update to the various e-Initiatives underway with AB Crown; check the e-Tenure News at: http://www.energy.gov.ab.ca/1045.asp for all publications.

4. e-Bidding Working Group
   - Overview training will occur at the next Information Exchange scheduled for April 28. Hands-on training will be available in May and June 2006.

5. Natural Gas in Coal Tenure - Working Group
   - The Alberta Department of Energy website http://www.energy.gov.ab.ca/335.asp continues to be updated.

6. Surface Task Force
   - e-Assignments for Surface documents is underway!
   - Preliminary meetings have been held between SRD and Industry with feedback provided. More details will follow as the project continues … stay tuned.

7. Freehold Mineral Tax
   - e-Communication committee is being struck as a sub-group to this working group.

British Columbia

1. Mineral Tenure Task Force
   - The committee is working with the BC Crown on new initiatives including the potential for e-Assignments and auto debits for rentals. Preliminary discussions are on-going.
Saskatchewan

1. **Mineral Tenure Task Force**
   * No update at this time.

2. **Oil Shale and Oil Sands Regulation Review**
   * Saskatchewan Industry and Resources has proposed amendments to the disposition and administration of oil shale and oil sands.

3. **ISC Task Force**
   * Remember to sign-up for the upcoming training sessions to discover the new on-line features of the ISC website.

Submitted by Lynn Gregory as Government Relations Director, with input from Committee Chairs

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**Industry Relations Portfolio**

The detail below lists the current committees and task forces within this Portfolio.

In addition to CAPLA, committee members from Provincial and Municipal Governments, other related business lines and affiliated organizations have been contributing to the development of resolutions to many of the issues that have been raised including standard documentation. Please remember that volunteers are always welcomed!

Should you have any question, ideas or new initiatives, please contact me at (403) 645-3792 or by email at gordon.dainard@encana.com or directly to a Committee Chair.

**Committees:**

**Land and Accounting Steering Committee**

- Dissolved
  * The Committee reviewed a proposal to move under CEAMS and it was decided to disband this committee with most of the committee members electing to join one of the CEAMS Task Forces.
  * CAPLA will form new task forces in the Fall to address specific issues related to Land and Accounting.

**Government and Industry Surface Document Standardization Committee**

- Thank you to Senga Wakefield for Chairing this committee for the last two years and welcome to Tamara Borggard who has accepted the opportunity to Chair this committee.
  * Tamara Borggard can be contacted at (403) 645-6372 and Debbie Degenstein is the Facilitator and can be contacted at (403) 540-1324.
  * The committee is currently reviewing the Right of Way License Agreement and Partial Assignment Agreement for standardization. Both of these agreements are used when you have more than one pipeline within the same right of way and you are selling one line(s) and retaining the other line(s).

**Integration Land and Financial Information Committee (PPDM and CAPLA)**

- Currently recruiting a Committee Chair and once appointed opportunities for volunteers will be posted on the CAPLA Website. If you are interested in chairing this Committee, please contact me as noted in the opening preamble.
C2C ADR Council (Company to Company Alternative Dispute Resolution)
Chair is Scott Nalder and can be contacted at (403) 264-1221.
- C2C website is now available at http://c2cadr.org/
- Please contact Scott if you have any questions regarding the website.

Corporate Fee Title and Corporate Freehold Lease Committee
- Deb Waterhouse has accepted the position of Chair and can be contacted at (403) 233-3055.
- If your corporation holds fee title lands and issues leases from its fee title lands and would like a representative on this committee, please contact Deb.

Task Forces:

Master Road Use 2006 Task Force
- Susan Graham has accepted the Chair and can be reached at 269-6235.
- We recommend that you contact the Chair with any issues with the 2005 MRUA that you would like addressed.

NOA Process Review 2006 Task Force
Chair is Kathryn Payne and can be contacted at (403) 645-6307.
- The task force has reviewed various checklists and is developing a standard industry checklist for processing NOAs.
- The task force has also decided to review certain priority issues regarding NOAs at its meetings; guests/speakers are welcome – please contact the Chair if you would like a list of upcoming meeting topics.

GROUP BENEFITS REMINDER
EVERYONE BENEFITS!

CAPLA has arranged for its members to be eligible to belong to a comprehensive benefits program, including:

- Group Life
- Dependant Life
- Accidental Death & Dismemberment
- Long & Short Term Disability
- Extended Healthcare
- (Major Medical & Prescription Drugs)
- Vision Care
- Dental
- Health Spending Account

These benefits are available to you as a CAPLA Member, and in addition to the benefits listed above, CAPLA members can feel free to contact Dann Kepford for quotations for personal/corporate life insurance, disability and critical illness quotations. Dann is a broker and can obtain quotes for the entire insurance market.

Please contact: Dann Kepford @ (403) 264-6690
Communication Committee

NEXUS

Two of our NEXUS Committee members have chosen to step aside to allow others the opportunity to join this committee. We would like to thank Nancy Howes-Olmstead and Maarnie Shakespeare for their time, effort, dedication and foresight.

Our NEXUS Committee works hard to find relevant articles to publish and continues to produce an absolutely brilliant design thanks to Rachel Hershfield of Folio Publication Design and our printer, McAra Printing.

Public Relations and Promotions (PR&P)

The other hard working Committee of the Communications Team is our PR&P Committee. We have gone out to SAIT and Mount Royal College and addressed various Land Classes educating them on the benefits that CAPLA can provide to perspective members.

To all volunteers of CAPLA, thank you.

Karen Pugsley
Communications Director

You Wanted To Know

About the Oil and Gas Industry!

For those of you who are new to the oil and gas industry, and there are many of you in this time of rapid growth, a perusal of the Canadian Association of Petroleum Producers (CAPP) website (www.capp.ca) may be a good starting point to become informed about the upstream oil and gas industry.

The following is a list topics covered on the website:

Issues and Initiatives

- National and Provincial

Stewardship

- What it is, Steward of Excellence Awards, Energy In Action, Environment, Health and Safety, Communities, Research and Innovation

Industry Facts and Information

- Statistical Handbook, Canada/Western/Central/Atlantic/Northern Canada, Crude Oil, Oil Sands, Natural Gas

Media Centre

- Media Contacts, News Releases, Industry Viewpoints, Events, Presentations

How Our Industry Works

- History, Finding, Producing, Moving and Using Oil and Gas

Publications

- New and Featured, Downloads, Catalogue

CBM/NGC 2006 Task Force

Chair is Linda Bigelow and can be contacted at 233-3792.

- No Report.

Trust Agreement 2006 Task Force

Chair is Bonnie-Lynn McLaren and can be contacted at (403) 716-6249.

- No Report

Submitted by Gordon Dainard as Industry Relations Director, with input from Committee Chairs
About CAPP and its Events
One Voice, One Goal

At the Canadian Association of Petroleum Producers, our goal is to continuously enhance the economic well-being and sustainability of Canada's oil and natural gas industry in a socially, environmentally and technically responsible and safe manner.

CAPP is the voice of the upstream oil and natural gas industry in Canada. CAPP represents 150 member companies who explore for, develop and produce more than 98 per cent of Canada’s natural gas, crude oil, oil sands and elemental sulphur.

Web Links

How many times do we all hear the phrase “Just look it up on the ’net”? It seems that everything these days is “on the ’net”. Sounds easy right? Granted the ’net is an excellent source of information – but sometimes it’s knowing where to start looking for the information that can be the problem.

In order to shed some light on the ’net here are some links that you might find useful on your travels. The links cover a range of sites from those that Land professionals use on a regular basis (such as WWW.ISC.CA for the Saskatchewan administrators out there) to those that are just resources. Also, the CAPLA website (www.caplacanada.org) has a complete listing of Industry links compiled for members and non-members.

**BC**

BC Online:
https://www.bconline.gov.bc.ca/

**Alberta**

EUB:
http://www.eub.gov.ab.ca/bbs/default.htm

**Alberta Energy Tenure Contacts**: http://www.energy.gov.ab.ca/982.asp

**Alberta Energy Tenure Forms**: http://www.energy.gov.ab.ca/1041.asp

**Alberta Energy FAQs**: http://www.energy.gov.ab.ca/1046.asp

**Freehold Owners Association**: http://www.fhoa.ca/

**Surface Rights Board**: http://www.surfacereights.gov.ab.ca/srb/

**Queens Printer**: http://www.qp.gov.ab.ca/index.cfm

**Saskatchewan**

**Land Titles Saskatchewan**: www.isc.ca

**Saskatchewan Industry & Resources**: http://www.ir.gov.sk.ca/

**Manitoba**

**Manitoba Property Registry**: http://www.gov.mb.ca/tpr/index.html

**MB Land Titles Forms**: http://www.gov.mb.ca/tpr/forms.html

**Other Sites of Interest**

**Nickle's**: http://www.nickles.com/

**NALTA**: http://www.nalta.org/home.htm

**Petroleum Human Resource Council of Canada**: http://www.petrohrsc.ca/

**Glossary of Terms commonly used in Oil & Gas Exploration**: http://www.gomr.mms.gov/homepg/lagniapp/glossary.html

**Canadian Association of Petroleum Producers**: http://www.capp.ca/

**Energy Council of Canada**: http://www.energy.ca/users/folder.asp

**Small Explorers and Producers Association of Canada**: http://www.sepac.ca/

**Petroleum Accountants Society of Canada**: http://www.petroleumaccountants.com/
What Is This Seismic Stuff?

What’s It For?

With some rare exceptions, the petroleum (oil and natural gas) that has been found on planet earth is contained within sedimentary rocks. Sedimentary rocks are formed in topographically low areas called ‘basins’ in which sediment and organic material have been deposited and preserved. Although a certain amount of organic material is likely to be preserved in all basins, this material can only become an effective source of petroleum (‘source rock’) if it is preserved in relatively high concentrations in anoxic conditions, and has been subjected to a sufficiently high temperature to convert it to petroleum. As petroleum is produced from source rocks it tends to migrate upwards through pore spaces, fractures and faults and can accumulate in geological features known as ‘traps’. Traps occur where a porous and permeable ‘reservoir’ formation is overlain by an impermeable ‘sealing’ layer, in a configuration that literally ‘traps’ the migrating petroleum. A rock’s porosity is simply a measure of the amount of pore space within the rock and its permeability is a measure of the degree of connectedness between the pore spaces. Good porosity and permeability allow for higher flow rates and recovery of a greater proportion of the oil and gas from the reservoir.

It is the combined job of the geologist and geophysicist to identify potential traps that have a reasonable chance of containing petroleum in commercial quantities and to thereby recommend drilling locations. Although there is a great deal of overlap between the roles and the skills of the geologist and geophysicist, it can be generally said the geologist is a more hands-on individual, who handles the rocks and studies them directly. By analyzing drill cuttings, cores and other information from previously drilled wells, and studying rock outcrops, the geologist can discern much about the petroleum potential of an area. Having conferred with the geologist in regard to which rock formations have the best potential for petroleum, the geophysicist utilizes remote sensing techniques to ‘see’ what these formations are doing in the subsurface.

Although there are several remote sensing tools available to the geophysicist, the most useful among current technologies is reflection seismic. We speak of ‘reflection’ seismic to differentiate it from, the less-commonly used, ‘refraction’ seismic, which involves recording sound waves that are refracted along the subsurface layers, as opposed to being reflected from them.

How Does It Work?

Seismic reflection is essentially an echo sounding technique. A sound wave (a.k.a. ‘seismic wave’) is produced at or near the earth’s surface by a seismic source. On land the source is usually a buried dynamite charge or an array of large vibrator trucks. In marine surveys the source is an array of high-pressured ‘airguns’ that are discharged within the water column a few metres below the surface. The seismic wave travels downward and a portion of the wave’s energy is reflected whenever it encounters an interface between two distinctly different kinds of rock. Sedimentary rock is particularly suited to mapping by the seismic method because sedimentary depositional processes tend to create broad and roughly horizontal layers that will reflect downward traveling seismic energy back to the surface. For a detectable amount of energy to be reflected back to the surface from a given layer it must also be thick enough (usually several metres) to interact with a significant proportion of the seismic wavelength. Higher frequency waves have shorter wavelengths and can detect thinner beds, so a great deal of effort goes into maximizing the frequency content of the data. Seismic energy is reflected at
lithologic interfaces because the different kinds of rock present different transmission characteristics (a.k.a. ‘acoustic impedance’) to the advancing seismic wave.

The acoustic impedance of a rock is obtained by multiplying the rock’s density by the speed at which it transmits sound. The strongest seismic reflections are generated where the change in acoustic impedance is both abrupt and substantial (e.g. going from a shale to a limestone), and it is not unusual to be able to image rock formations located tens of kilometers below the surface using standard seismic methods.

Detecting seismic reflections from deep below the surface requires very sensitive listening devices. When operating on land thousands of ‘geophones’ are laid out on the ground in set patterns for this purpose. In marine operations a buoyant cable or ‘streamer’ (typically three to ten kilometers in length) containing thousands of acoustically sensitive ‘hydrophones’ is towed behind the ship. The guns are fired and the streamer ‘listens’ for about four to seven seconds (longer in deeper water); the data is recorded; after a pause of a few seconds the process is repeated; and this continues until the end of the line is reached. Seismic lines can range from just a few kilometers to hundreds of kilometers in length depending on the specific goals of the survey. Generally, longer and more widely spaced lines are used for reconnaissance work and shorter, more closely spaced lines are used to define actual drilling targets.

Understanding Different Types Of Seismic

Today it is common to acquire what’s called ‘3D’ seismic. To understand this type of seismic, we will first take a look at what we mean by ‘2D’. Consider that when a seismic source is activated the resultant sound wave travels outward from the source in all directions – just as we observe when we throw a stone into a quiet pond.
Although some energy is bound to go upward and can be heard as an air blast, a properly deployed source does in fact focus most of the energy downward. And so the seismic energy propagates into the earth as a kind of expanding hemisphere of sound. If all of the sedimentary layers were perfectly flat and homogeneous the only sound waves that would reflect back to the seismic line would have come from points directly beneath it. But, as completely flat layers seldom exist (and would be unlikely to trap petroleum if they did) the echoes that are recorded on the seismic line do not necessarily come from directly beneath it. Some of the reflections will have come from either side of the line, or even from geologic features located off the ends of the line.

With only a single line, or with widely spaced lines, there is no means to properly correct for these out-of-the-plane or ‘broadside’ reflections when processing the seismic data. Raw seismic data, as collected in the field, must go through considerable computer processing before it can provide interpretable images. Seismic processing, for the most part, involves trying to sharpen the acoustic images of the subsurface, and ensure that these images accurately represent the location of subsurface features. A 2D seismic line provides an image of a two dimensional cross-section ('section') of the earth that is, unavoidably, contaminated by broadside reflections that can mislead the interpreter – which increases the ever present risk of drilling in the wrong place!

If, however, the data were to be acquired as a closely spaced grid of lines (say only 25 or 50 meters apart) then it is possible to process it as a 3D cube of data, in which the broadside reflections can be correctly positioned. This requires orders of magnitude, more data storage and computing power, but the resulting data set provides for a much more accurate representation of the subsurface.

Three dimensional seismic has become more economically and technically feasible because of advances in field equipment, the increased speed of computers and the ability to store vast quantities of data quickly and compactly. Whereas fifteen years ago, 3D seismic was primarily used to choose development well locations, it is now widely used at the exploration stage. This is particularly true in marine operations where a new generation of purpose built vessels are capable of pulling multiple streamers with multiple energy sources, and on-board computers can do processing on the fly to provide improved quality control and timely delivery to the client.

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Can We See Petroleum Directly On Seismic Data?
For the most part we cannot see petroleum directly on seismic data. One notable exception is that the presence of natural gas in a porous formation can sometimes alter the acoustic impedance enough to affect the reflection amplitude in predictable ways. A famous example of this is the 'bright spot', but depending on the specifics of the geology the presence of gas can also cause a dimming of the reflection amplitude. In very fortunate cases the presence of a gas-oil, gas-water or even oil-water contact can be imaged as a ‘flat spot’ – but this is not common.
What is, in fact, most often mapped by geophysicists is the topography of the most reflective layers, and from this the structure of acoustically invisible layers can be inferred by what is seen to happen above and below them. The geophysicist also searches the data for reflection patterns that are characteristic of known petroleum producing systems. In this manner the geophysicist is able to construct maps that highlight the subsurface structures (buried hills, river deltas, beaches, coral reefs etc.) that are likely to contain producible accumulations of petroleum.

What’s Next?
The new buzzwords are ‘4D’, ‘AVO’ and ‘multi-component’. A four dimensional (4D) seismic survey is essentially a 3D survey that is repeated in the same area to track changes in the distribution of oil and gas in the reservoir as the field is produced. Obviously this method can only be effective where production causes acoustically detectable changes in the reservoir. AVO (amplitude vs. offset) is a means of processing seismic data that takes advantage of the fact that changes in reflection amplitude with the angle of incidence of the seismic wave can be used in certain geological circumstances to predict reservoir content and quality.

Multi-component seismic is an area that holds great promise. Conventional seismic utilizes pressure waves (p-waves), which image the rock matrix as well as the fluids contained within that matrix. These waves travel as pressure pulses that oscillate parallel to the direction of propagation. A second type of wave, the shear wave (s-wave), oscillates perpendicular to the direction of propagation and is not directly affected by the fluid content of the reservoir. Shear waves can be generated directly by seismic sources and indirectly by p-waves that convert some of their energy to s-waves at reflection points. They also travel at a slower speed than p-waves, and the ratio of p-wave to s-wave velocity can be used to predict lithology and detect porosity.

Recording shear wave data presents unique challenges because it requires equipment that can separate and record both the horizontal and vertical components of seismic waves. An additional challenge for marine surveys is that as s-waves cannot be transmitted through a liquid, they can only be captured by placing seismic recording devices directly on the seabed. Several companies are working on effective means of multi-component cable deployment, as well as ways to achieve adequate coupling between the seismic cable and the seabed.

Although the physics of seismic exploration has been understood for many years, it is only recently that technology has allowed a more complete utilization of the information contained within the seismic signal. Driven by the need to reduce the risk of dry holes in increasingly expensive drilling ventures, the methods of seismic acquisition, processing and interpretation will continue to push the limits of technology and test the imaginative and deductive powers of geoscientists.

Phonse Fagan
Phonse Fagan is an oil and gas consultant in St. John’s Newfoundland. He is also President of Petro-Ed, which offers short courses for the oil and gas industry in Atlantic Canada.
Upcoming CAPLA Courses

February 22 Analyzing Contracts – Novice
March 8 Engendering Success: Bridging the Gender Gap in Communication
March 14 Resolving Conflict
April 18 Administration of EUB Directive 56
May 2 Contracts Law
May 4 Calgary/Canmore Course & Field Trip
May 9 Notice of Assignment – Novice
May 10 Third Party Surface Agreements
May 24 Reading Survey Plans Workshop
May 30 Notice of Assignment – Advanced
May 31 Alberta Crown: Transfer Administration

Please see the CAPLA website for course information or to register – www.caplacanada.org.

Election Notice

This truly is an exciting time for CAPLA as we continue to grow. We are now ready to move forward with the next step of the Board’s transition to a governance model. This involves the re-organization of the portfolios of the Directors, with a focus on streamlining their workloads. An example of this would be the positions of Secretary and Treasurer, are now combined. A few new portfolios, such as Volunteer Development and Board Development, are being introduced to help support and enrich our volunteers’ experience. Please refer to the website and the weekly emails for the positions that are open for election, as well as nomination deadlines.

Olds College Invitation

Land Agent & Land Administration Program Invitation

You are cordially invited to meet students from the Land Agent/Land Administration Programs at their 24th Annual Reception to be held:

Thursday, March 16, 2006
from 4:00 – 7:30 pm

at the Fairmont Palliser Hotel
The Crystal Ballroom
9th Avenue & 1st Street SW
Calgary, Alberta

Please RSVP by March 14th, 2006
to Tara by phone (403) 556-8207
or via email tlloyd@oldscollege.ca

Please note that this invitation is open to past graduates, people in all aspects of energy, right-of-way, and/or land management and other related industries.

Your attendance and support at this reception will be greatly appreciated!
Reduce the number of “Blue Invoices” you receive for P&NG Rentals, Etc!

For the past six years, the Alberta Department of Energy (Crown) consulted with industry about replacing the ‘Blue Invoice’ for billing petroleum and natural gas rental activities with a monthly statement of account. The final stage of implementing the project is scheduled for July 2006. An amendment to Section 19 of the Mines and Mineral Administration Regulation was drafted and is awaiting approval. This allows the Crown to determine the method of billing petroleum and natural gas activities. Although this initiative was started for petroleum and natural gas rental activities, it now includes mineral activities, search fees, etc. (See Schedule A).

The legislation completes a project that began in 1995 when a Committee of the Canadian Association of Petroleum Landmen (CAPL), the Canadian Association of Petroleum Land Administration (CAPLA), and the Crown (see below), was formed to investigate potential improvements to the land rental process.

They examined the rental process from both the policy and process perspectives and determined that there were significant opportunities to streamline administration. Recommendations included:

- Elimination of multiple cheques.
- Reduction of duplicate payments.
- Reduction of default notices which were a result of data entry errors.
- Elimination of overpayments to stop the cycle of small interest charges, i.e. timing issues.

The Committee also determined that a series of roundtable sessions with industry, through CAPLA, was the best mechanism to obtain industry feedback. At the first session, the proposed changes received positive feedback from 90 attendees. At a subsequent roundtable session in May 1997, the Committee received additional feedback which was incorporated into the new process. In September 1997, six pilot companies implemented the new land rental process.

Mandating the monthly statement was originally considered, but was delayed until now to allow companies to assess the process and learn from each other. Some of this education and assessment happened through amalgamations and recruitment which allowed those experienced in the process to educate their new entity on the benefits of the process. Success of this approach is supported by statistics that indicate approximately 80% of Crown clients have accepted the process voluntarily.

Thus, the time has come to mandate the process. The Crown will provide a process for exceptions in a few special circumstances.

Advantages of the process to both the Crown and Industry are:

- Reduce administrative burden on both Industry and Crown (e.g. electronic reconciliations).
- Reduce number of invoices and cheques to be handled (including reduction of duplicate payments).
- More timely allocation of payments on company accounts.
Minimize errors and rework (keying errors).
Reduce default notices and associated small interest charges.
Capability to receive statements electronically.
Electronic file download to land systems for timely comparison and reconciliation.
Companies receive statements earlier (i.e. mailed directly rather than via a broker, or electronic).
One deemed due date per month – the 15th.
Payment comes from payer on record at the time the statement is produced reducing duplicate payments.

Converting to this process has its challenges, but these conditions are well managed in a number of environments. Some of the challenges to implement the process are:

Advance verification and coordination of Crown and Industry records.
System integration, if electronic file to be used – Crown file and Industry.
Linkages to company accounting systems (i.e. Crown vs Freehold).
Acquisition and Divestiture activity.
Crown resources available to assist, if too many companies wish to convert at the same time.

However, with some diligence, education and cooperation these challenges can be overcome and will result in the advantages stated above.

Once the legislation is approved, the Crown will send an Information Letter to subscribers.

Cameron Steenveld
Senior Manager, Finance Operations and Advisory Services
Department of Energy

For more information about this article you can contact Yasmin Suleman at (780) 427-8601 or e-mail: Yasmin.Suleman@gov.ab.ca. You may also visit our website at http://www.energy.gov.ab.ca/2578.asp.

Schedule “A”
When you become a monthly statement client, the following activities will be included on your statement:

**Petroleum and Natural Gas:**
001 P&NG Lease (10 – 21 Year)
002 Natural Gas Lease
003 Petroleum Lease
004 P&NG Lease (Plains – 5 Year)
005 P&NG Lease (Northern – 5 Year)
006 P&NG Lease (Foothills – 5 Year)
010 Natural Gas & Petroleum Lease
053 P&NG Licence (Plains – 2 Year)
054 P&NG Licence (Northern – 4 Year)
055 P&NG Licence (Foothills – 5 Year)
070 Oil Sands Permit
071 First Term Oil Sands Lease
072 Second Term Oil Sands Lease
073 Third Term Oil Sands Lease
074 Oil Sands Development Lease
075 Oil Sands Lease

**Other Mineral Agreements etc.**
013 Coal Lease
014 Coal Road Allowance Lease
019 Quarrying/Quarriable Mineral Lease
025 Salt Lease
027 Sodium Sulphate Lease
028 Quartz/Metallic Mineral Lease
036 Natural Gas Storage Agreement
037 Special Mineral Agreement
042 Other Agreement
068 Quartz/Metallic Mineral Exploration Permit
080 Placer Mining Permit
081 Ammonite Shell Collectors Permit
090 Placer Mineral Lease
091 Ammonite Shell Agreement
092 Metallic & Industrial Mineral Licence
093 Metallic & Industrial Mineral Permit
094 Metallic & Industrial Mineral Lease
CLS Crown Land Searches
NBF No Bid Fee
You have finally taken the plunge. You are going to write. But how do you prepare? The theory is that your past work experience alone will give you enough background to pass the Contracts Exam. You just have to apply what you already know. But why rely on memory when there are readily available resources that can remind you of past and current issues or give you some background on things that may not have crossed your desk recently. CAPLA seminars will certainly be useful but there is a resource you can access immediately. There are over 10 years worth of NEXUS articles you can peruse on the CAPLA website. With that in mind the Certification Committee has taken the liberty of compiling an index of CAPLA articles you may find useful and informative … and they will be of interest even if you are not preparing for the Exam.

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<td>Land Acquisition Process: What Else? (An Acquisition Checklist and Divestment Checklist were included as inserts in Vol 2.4)</td>
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<td>October-03</td>
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* Categories as per Land Contracts Certification Learning Roadmap in http://www.caplacanada.org/downloads.php

For now, only the Contracts Exam is available so only those articles thought to be background or topics relevant for Contracts Exam topics were selected. The Minerals and Surface Exams are coming down the road. By the time they are ready, there will be more NEXUS articles to review online and an expanded or additional index can be prepared then. The quest continues.

Land Contracts Sub-Committee
of the Certification Committee
Land Database vs. Land Application: The Management of Electronic Data

The Need for Speed

In today’s business environment, few industries can match the Exploration and Production (E&P) Industry’s requirement for complex data. Land and contract management professionals demand rapid access to complete, accurate and detailed information about surface and mineral holdings, obligations that must be addressed, financial summaries, partnerships and more. Although land data supports mission critical business processes, it often exists in an isolated data store that is not readily accessible to or properly integrated with the world outside the land department.

Integration

Our industry is demanding better integration of valuable information. Today’s data managers want each group of business experts to create and maintain data within their process domain (System of Record). This data should be made available to other users as managed replications. Land information should be readily accessible to geoscientists, and well or seismic information should be accessible to land managers.

All too often, this objective is achieved by laboriously replicating the necessary information in multiple data repositories. Processes to ensure that changes in the System of Record are reflected in copies are often woefully inadequate. Inevitably, the replicated data will fall out of synch with the master data in the system of record, leading to errors, misinterpretation and misunderstandings.

Semantics

Knowledge of the semantic content in land information is readily apparent to land specialists. Such people understand how different partnership agreements can influence other agreements, and how the terms of contracts provide important information about operational requirements. Geoscientists, however, often make broad assumptions and generalizations about non-geoscience information in their databases that may be wildly inaccurate. This can lead to process errors that may cost money or create legal problems.

Life Cycle Support

E&P Assets have a long life cycle. It’s not uncommon for a well to produce for 30 or more years. Throughout and at the end of that life cycle, information must be managed to describe wells, associated land rights, contracts, partnership agreements, regulatory requirements and HSE requirements. Proprietary data formats come and go; only standards are designed to last through the test of time.

Data supporting the operational activities of each player in the E&P life cycle, from field operations to joint venture partners or regulatory agencies, must be provided efficiently, effectively and quickly. Data must be transferred from data vendors or proprietary databases and imported into a variety of software applications that help land managers analyze their holdings and manage their obligations.

If an energy company can move data around freely, without misunderstandings or ambiguity, it can do business with other companies and organizations. Today’s energy companies, data and software vendors, regulatory and other agencies have access to data standards that have been developed by international...
specialists. Participation and input from Canada, the US, South America, Europe and Australia have resulted in a data model that has international applicability and usefulness.

PPDM 3.7.1
Following is a brief summary of the PPDM 3.7.1 standard. PPDM 3.7.1 is endorsed by CAPLA as an effective standard for Land Management in Canada. For more information, please see www.ppdm.org/standards/model/3.7.1/index.html.

Help Us Do Business
A series of supporting modules help us describe the people and companies we do business with, integrate with existing financial summaries, handle task lists and projects and create work orders.

Describe the Earth
Spatial descriptions can change over time; the PPDM model allows you to describe land in the surface or the sub-surface using polygons, text descriptions, legal survey descriptions and more.

Paleontology
These modules help describe the structure of the earth as it was in the past and are an important aid in finding and producing oil and gas.

Geology and Geophysics
Many detailed modules describe rocks, wells, seismic data, production volumes, reserves estimates and operational activities. These modules are used by Geoscientists in their analysis of land for finding oil and gas.

Authorizations & Consents
Several modules are used to capture detailed information about the planning and acquisition phases of the land life cycle management process. You can manage detailed descriptions of applications to partners or regulatory agencies, communities, associations or other parties. You can also describe in detail any consultation or negotiation processes and their outcomes, and capture conditions or requirements that are imposed on rights granted to you by another party.

Legal & Land Management
Land management and relinquishment processes for land rights, contracts or partnership agreements can be managed in these tables.

Records & Information Management
Specific information about documents or other records that relate to your business can be stored here. You can also define who has access to each document, and what entitlements you have to business objects such as wells, records or documents.

About The PPDM Association
The PPDM Association is a not-for-profit organization that develops and maintains standards for the Resource Industry. With over 100 member companies comprised of petroleum businesses, governments, data vendors, software vendors and service firms, the Association provides a roundtable process to bring experts together to build useful, business-driven standards.

The PPDM Association does not build software and does not sell data. It is a Not for Profit Association formed under the Societies Act of Alberta. PPDM is its members, who work with us to create standards that will make their work simpler and that will allow our industry to steward its data as an asset for the future.

Trudy Curtis
(CEO, CIO PPDM Association)
CAPLA Conference 2006

May 11–13, 2006
Calgary Stampede Roundup Centre and
the Hyatt Regency Hotel

Building Energy Together

The Conference Committee is pleased to announce CAPLA Conference 2006. The Conference has evolved into an event filled with many exciting and new opportunities for learning, networking and discussion. The theme and focus for the Conference is Building Energy Together.

CAPLA represents the land administration professionals in the oil and gas industry. Using the highly skilled members of CAPLA, and collaborating these dynamic individuals with world-class technology and research in the upstream industry, we are Building Energy Together.

CAPLA’s sixth bi-annual Conference was developed with CAPLA members in mind and will provide our 2,100 land administration professionals with the best knowledge and tools available to address the challenges and opportunities in the oil and gas industry. Professional instructors will teach in-depth education sessions, offering our delegates an opportunity to gain superior knowledge.

At each luncheon, a motivational speaker will inspire the attendees and further enhance the delegates learning. On opening night of the Conference, the Networking Reception will provide the delegates with a fantastic evening to socialize with other land administra-

tion professionals. In the exclusive networking area, the delegates will enjoy delicious appetizers, a cash bar and door prizes, all surrounded by exhibitors who will cater to their personal interests.

CAPLA is excited to present the premier Conference Dinner and Gala, to be held on May 13 at the Hyatt Regency Hotel. The delegates and their guests will enjoy a buffet dinner with over five carving stations and music for every taste. Participants must register for the Conference in order to register for the Networking Reception and/or the Dinner and Gala.

Watch the NEXUS and weekly emails for further information about your Conference and how we are Building Energy Together! 🌿

If you are interested in volunteer opportunities with CAPLA Conference 2006, please email Val at Valrie.Anderson@CNRL.com
“Building Energy Together”

Education Sessions* – New 2½ hours in length

Many of the Conference’s education sessions will be instructed by professionals from post-secondary institutions, such as:

“Advanced Contract Drafting: Key Contract Clauses”
   – SAIT
“Surface Regulatory Guides and Issues”
   – Olds College
“Continuing the Summit” – for Management and Supervisory
   – The Performance Alliance
“Joining Forces: Accounting and Land”
   – CAPPA
“Alberta Energy: The Electronic World”
   – Alberta Energy

Special Events – Prices to be determined

Opening Night – Networking Reception

On opening night of the Conference, the Networking Reception will provide the delegates with a fantastic evening to socialize with other Land Administration professionals. In the exclusive networking area, the delegates will enjoy delicious appetizers, a cash bar and door prizes, all surrounded by exhibitors who will cater to their personal interests.

Closing Night – Dinner and Gala

CAPLA is excited to present the premier Conference Dinner and Gala, to be held on May 13 at the Hyatt Regency Hotel. The delegates and their guests will enjoy a buffet dinner and music for every taste.

Conference Prices*:

$225 per day (includes lunch) – Member
$400 for both days (includes two lunches) – Member

* Conference prices and education sessions are subject to change. Watch the CAPLA website for additional education sessions and final details of the Conference – www.caplacanada.org.

Sponsorship Opportunities

Platinum: Over $5,000
Gold: $2,500 – $4,999
Silver: $500 – $2,500
Bronze: Under $500
Sponsorship Opportunities
Your company can participate at various giving levels, including value in-kind donations. Corporations may sponsor specific program events as detailed below.

Education Sessions
Many of the education sessions will be instructed by professionals from post secondary institutions.

Exhibitor Area & Booths
Designed for exhibitors directly related to the oil and gas industry. Includes ad in Conference Program and exposure to an estimated 1,000+ delegates.

Luncheons & Speakers
Honorariums for dynamic luncheon speakers, luncheons, table items and door prizes.

Advertising
Conference program, delegate gifts, Conference binder, education sessions.

Special Events
- Opening Night – Networking Reception
  Exhibitors who cater to the delegate's personal interests
- Closing Night – Dinner and Gala
  Dinner and Gala, table items and door prizes

Website
- Sponsor the dedicated Conference website featuring on-line registration and Conference information
- Sponsor the bar code scanning system to be used at all Conference events

As past sponsors are aware, the most important benefit is the knowledge that your corporation is supporting professional development, education, and the exchange of expertise and innovative ideas. We are more than happy to discuss the giving ability of your company, as your support, in any way, is most welcome.

Thank you for Building Energy Together with CAPLA
A detailed Sponsorship Opportunity Package will be forwarded to your organization in January.

Sponsorship Co-ordinator
Cathy Lorwin 774-1029
CLorwin@P2ES.com

CAPLA Office
Aimee Cranston 571-0640
Office@CAPLACanada.org
Mentoring Program

Mission Statement

“The CAPLA Mentoring Program is dedicated to furthering personal and career growth of CAPLA members, through the sharing of knowledge and experience.”

Join The Program – Reap The Benefits

Here’s what some CAPLA Members have to say about their experience in the program:

Mentors:

“I am able to share my enthusiasm for land with others.”

“Reinforces my own ability.”

“I get a sense of pride in helping others.”

“It gives me a chance to give back to this industry.”

“Keeps me learning new things.”

“I have met some wonderful people!”

Mentees:

“Gives me an immediate start to my network of people.”

“The ability to contact my mentor by phone or email is invaluable to me.”

“This program gives me a feeling of belonging.”

“Being able to get precedent documents from my mentor is a great stress reliever.”

“If you’re considering becoming a mentor, be assured your time and expertise are appreciated.”

“I feel I have begun a career, not a job!”

Events Committee

Committee Members

Nicky Cook  Frank Courtright  Bev Curley
Shannon Facey  Andrea Foster  Kris Luft
Shelley McInnis  Nicole Patry  Bobbi-Jo White

The Events Committee is responsible for planning quality networking opportunities through social functions in an enjoyable and fun environment.

Membership feedback is welcome and encouraged; suggestions and comments from our members assist us in the planning of CAPLA events.

We encourage you to contact anyone on the Events Committee if you have an idea or a suggestion for a future event or would like to provide feedback on a recent event. The names are listed above and their contact information can be found on the CAPLA website at www.caplacanada.org.

Networking Events

MARCH
CAPLA/IRWA Ski Trip

APRIL
Golf Clinic Starts

JUNE
CAPLA Family Day at the Zoo
CAPLA Golf Tournament
CAPLA/CAPL Pre-stampede Party

MARCH
CAPLA/IRWA Ski Trip

JUNE
Monday Night Golf League Begins

AUGUST
Monday Night Golf League Ends

OCTOBER
CAPLA/IRWA Wine Tasting

DECEMBER
CAPLA Christmas Cheer

Please see future issues of NEXUS and the CAPLA website for details on these events. For registration information please visit the Events Page on the CAPLA web site at www.caplacanada.org.
Upcoming CAPL Courses

For registration or more information on these or any other CAPL seminar, please contact the CAPL office at 237-6635, fax 263-1620 or e-mail dgrieve@landman.ca. Visit our website www.landman.ca for the full calendar of seminars.

Alberta Limitations Act
February 21, 2006 8:30 a.m. to 12:00 p.m.
Issues with respect to Limitations affect all of a company's operations; therefore 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.

Fee:  
CAPL Member $175.00 plus GST  
Non-Member $225.00 plus GST

Economic Considerations For Land Deals
February 22 and 23, 2006 8:30 a.m. to 4:30 p.m.
The instructor will cover the basics of measuring project value from an economic perspective. Participants are requested to bring a simple arithmetic calculator to the seminar.

Fee:  
CAPL Member $450.00 plus GST  
Non-Member $550.00 plus GST

Selected Development In Oil & Gas Law
March 1, 8 and 15, 2006 8:30 a.m. to 4:30 p.m.
This seminar is targeted for more senior industry personnel. The seminar will review the manner in which courts have dealt with selected issues in oil and gas law and illustrate the effect of the said decisions on the everyday practices and procedures of the industry.

Fee:  
CAPL Member $550.00 plus GST  
Non-Member $650.00 plus GST

Freehold Mineral Lease
March 2, 2006 8:30 a.m. to 4:30 p.m.
The instructors will discuss the Torrens System in Alberta, the concept of indefeasibility and its qualification. The Assurance Fund, historical searches, registration and caveats. The instructors will then review the nature and ownership of oil and gas in place.

Fee:  
CAPL Member $350.00 plus GST  
Non-Member $400.00 plus GST

ROFR Law – Overview Of Practical Issues For The Senior Landman In 2006
March 9, 2006 8:30 a.m. to 12:00 p.m.
This seminar is targeted for Senior Landmen who are the "go to" people in their organizations for ROFR issues. This seminar will focus on the most important current legal and business developments on the ROFR front.

Fee:  
CAPL Member $175.00 plus GST  
Non-Member $225.00 plus GST

Understanding Natural Gas Markets & Gas Markets
March 14, 2006 8:30 a.m. to 4:30 p.m.
The instructor will cover the North American supply and demand picture including new areas of exploration and the demand growth forecasts driven by new power generation.

Fee:  
CAPL Member $350.00 plus GST  
Non-Member $400.00 plus GST

March 16 and 17, 2006 8:30 a.m. to 4:30 a.m.
This seminar helps proponents understand the public consultation requirements, expectations of the AEUB and assists companies in completing the application or audit processes for regulatory compliance.

Fee:  
CAPL Member $500.00 plus GST  
Non-Member $600.00 plus GST

Ethics
March 21, 2006 1:00 p.m. to 4:30 p.m.
This seminar is intended to increase the understanding of ethics and the dimensions to ethical behavior by stimulating the ethical thought process, giving a basic introduction to the nuances of ethics, introducing a number of methods used in ethical decision making, and providing a forum for discussions with respect to land related ethical issues.

Fee:  
CAPL Member $175.00 plus GST  
Non-Member $225.00 plus GST 🍀
Road Humour – Is There Any?

“You must have many humorous stories from all those years on the road visiting people.”

My face paled as I struggled to remember humorous or funny situations. Warm fuzzies, for sure, tears and frustration more often than I care to think about, fear for my safety occasionally, but laughter over funny situations?

Surely there must be a few!

Funny of course is subjective… like this post-situational relief. The job is tens of miles into the wilderness of the Foothills – I travel alone and fear a vehicle breakdown, poor cell coverage, bad weather… An hour or two of nothing – not another person, animal, I must be at the end of the world, around another bend that has no identifiable location, my fear of isolation is overwhelming – and there within the next two miles is a camp, two rigs, a seismic crew – a virtual town site! I laugh, with irony, with frustration released, with relief.

Sometimes funny is fraught with embarrassment. The place I’m visiting is hidden behind a row of evergreens and caragana – typical of prairie farms. No one is home and I visit the next farm, then return, still no one home; another visit, and I tear around the hedge and into the yard – there in front of me is a man fully exposed having a pee. My god! Now what! “Hello, my name is Janet, I’m here to talk with you about….” Keep a straight face…

Or irony: I show up at a door, close to a gas plant, no problem, they’re familiar with my spiel; the person on the other side listens to my introduction and immediately demands body bags for the dead, wants to know how we notify next of kin, wonders how we murderers sleep at night. This is my first experience with a terrified resident; I fumble for words, stumble through an unsatisfactory rebuttal and somewhere in my confusion get on to another aspect of health. In my other hat I do shiatsu and she is a health nurse, whew; we settle on a book written on HIV facts, not fiction; shake hands at the end, and I move on to the next resident, shaken, exhausted, and relieved.

Dogs – my worst nightmare when I started this career was dogs. I was afraid of dogs, at least some of them. They would know I was uncomfortable, I would be cornered, threatened, bit… After a couple of years of getting to know dogs (they are now my best friends), I nonchalantly work my way to the door of a residence that has two large German Shepherds tethered by the walk in the front yard. No one home! I leave a package. At the neighbours I’m told that no one is home next door, and that under no circumstances should I get out of my vehicle in their yard – the dogs are guaranteed to attack. “Oh.” I laugh, with nervousness? Relief? Pride?

Another time I was talking with a man in his garden. There were two houses on the property, and the man in the garden indicated I should take a package to the second house as no one was currently home there. The house was in full view of our garden location, and there was a huge Rottweiler on the porch by the front door. I asked about the dog – “He’s OK”. I walk over to the house, the dog does not look friendly. I do my usual conversation with dogs, and slowly walk past to the door,
deposit my package, and walk back toward the garden, thank the man in the garden and say my goodbyes. He responds with, “I’m quite impressed. No one gets by that dog.” I laugh, although I’d rather grab him by the neck and… (who’s the animal here?)

Animals provide a great deal of tension, and relief. Another worst nightmare – what if I hit someone’s dog or cat? How do I start this visit? “Hello, my name is Janet; I’m here to talk with you about sour gas and by the way I just killed your dog. Sour gas is not dangerous,” (not as dangerous as me, obviously). “Please stay indoors and keep your next dog there with you…”

I’ve never hit an animal but a friend has.

“I’m really sorry, but when I turned around I ran over your dog – can I take it to a vet? Where? Replace it if it dies?” She is in tears, she owns a dog and would be devastated if the situation were reversed. To her amazement the owner grabs the dog and throws it into the back of his truck; “Damn dog, someone should have run over it long ago” and drives away, leaving my friend speechless – does she laugh? Does she cry?

My funniest home video story took place at a farm where I found the residents at their corral. They were de-horning cattle and a cow had just been put into the chute. There was a bit of blood on the wood under her nose; her eyes got big, and as the saw touched her horn, she fell down.

“What happened?”

“She fainted.”

“Fainted! Cows faint?”

“Yes, the cow before had a difficult time with the de-horning.”

What do we hear? Cows are stupid. Smartest cow I ever saw – its hard to de-horn a cow lying in the bottom of a chute.

Janet Martin
Public Relations Consultant – Sour Gas
Herriman Consultants Ltd.

P&NG TENURE INFORMATION EXCHANGE

Members from CAPLA and CAPL are planning Industry’s next P&NG TENURE INFORMATION EXCHANGE. CAPLA will be handling the registration for this event and will post additional details of the Exchange as they occur in future NEXUS and Negotiator publications. Tenure updates from Alberta, British Columbia and Saskatchewan are being planned. Details to date:

DATE
Friday, April 28, 2006

TIME
Morning Session: 9:00 a.m. – 12 noon
Afternoon Session: 1:30 p.m. – 4:30 p.m.

LOCATION:
Telus Convention Centre
120 – 9th Avenue S.E.
Lower Level, South Building
(MacLeod Room A & B)

The Committee’s next Planning Session is scheduled for January 19, 2006.
Responsibility, Risk and e-Bidding

Starting with the June 28, 2006 sale, bidding for oil sands and petroleum and natural gas rights will be web-based using the Department of Energy’s (department) secure Electronic Transfer System (ETS). e-Bidding also involves the creation of an electronic lease, licence or permit document.

Each company or individual planning to bid at any future sale should review their business processes and ensure a risk management plan is in place in advance of the implementation of e-Bidding. The department will also review its business processes and conduct risk assessments. This article will help clarify who is responsible for what risk.

The sales process begins with the publishing of available rights eight weeks in advance of the sale date. This timeframe will not change. Bids can be made on parcels any time during this eight-week period – bids are received until NOON the day of the sale. The department is responsible for ensuring parcels for each individual sale are posted accurately and on time. Amendments or withdrawals of parcels are the responsibility of the department.

Industry is responsible for analyzing each parcel, determining which parcels to bid on, when to bid, and how much to bid. This will not change from the paper-process world of today. What will change is industry’s responsibility to sign up for access to ETS and e-Bidding in a timely manner and to open client accounts for all individuals in the company who will prepare and submit bids.

It is also industry’s responsibility to ensure reliable access to the internet. The department has a standard configuration for hardware and software it supports. Anything older than the standard will not be supported. For further details please see the Client Account manual under Handbooks at: http://www.energy.gov.ab.ca/1068.asp. As with today’s process, an alternative would be for industry to have a partner or a vendor bid on their behalf. There will be a computer kiosk in both the Calgary and Edmonton offices for industry to use for entering bids.

The department is responsible to ensure the ETS is available. If the system is temporarily down for any period of time between 8:15 am and 12 noon on the sale day, the sale will be extended for two hours. If it is unknown when ETS would be accessible again, then the length of time the sale is extended will depend on the length of time the system is down, with a minimum of 2 hours given. In the case of a system failure, information will be provided to industry through a variety of sources including notices in the Calgary and Edmonton offices, notification on the CAPL and CAPLA website and notification on the Alberta Energy home page.
The department must ensure that the highest bidder is chosen for each parcel, that the correct amount of money is taken from the successful bidders’ accounts and that the minimum bid amounts have been met.

The department is responsible for closing the sale on time and only accepting bids received through ETS. This is the main difference from today’s paper process. The department must ensure that the highest bidder is chosen for each parcel, that the correct amount of money is taken from the successful bidders’ accounts and that the minimum bid amounts have been met. The department continues to be responsible for maintaining the confidentiality of the bidders and will only publish the client name and bonus amount. Sales results will usually be published by 3:30 p.m. on the day of the sale. If there is a delay, a notice will be placed on the Alberta Energy homepage advising of the new time of release for the sales results.

Following the sale it is the department’s responsibility to ensure that the agreement documents are issued correctly. It is industry’s responsibility to ensure they have a valid Electronic Fund Transfer (EFT) account if they wish to bid on a parcel and that there is sufficient money in their EFT account to cover all the bids made for the sale. Again, this is the same process used with the current paper process. Insufficient funds are dealt with by assessing a 3 percent late payment penalty for the total bid amount for a company. Industry determines what account is debited for the bid and who the lessee(s), designated representative and confidential rent payor is. It is the designated representative’s responsibility to ensure they pick up the document from the system while it is accessible (within 60 days of the sale).

The responsibility for training for e-Bidding is shared: the department ensures training is available before the implementation of e-Bidding, with training offered several times throughout the year. Each company must ensure that it has enough people trained to cover for unexpected absences.

Your ETS Site Administrator has a significant role to play in maintaining your security. Your administrator is the individual that is given your company’s account ID and password. They are then responsible to set up a client account for each person who is to use e-Bidding in your company. How you determine what roles to give each individual has to be decided internally and it is the site administrator that assigns the correct roles to each client account. The site administrator must also ensure that as responsibilities change within companies, client accounts are amended, deleted or added. Timing is critical for the deletion of accounts as a web-based system can be accessed anywhere.

Other activities that will mitigate your risk and ensure security are things like maintaining confidentiality of passwords, setting a password difficult to guess and changing your password on a frequent basis. It is also recommended that you completely close out of your internet browser when you are away from your desk or finished with e-Bidding.

We encourage you to attend a hands-on training session to become more familiar with the system and its benefits. Forward planning and extensive training efforts will ensure a smooth transition to e-Bidding. Look for upcoming Frequently Asked Questions on the DOE website. For more information on this initiative you can contact Retha Purkis at retha.purkis@gov.ab.ca or Brenda Allbright at brenda.allbright@gov.ab.ca.
SECOND ANNUAL CAPLA/IRWA

SKI TRIP
At
LAKE LOUISE

Friday,
March 3, 2006

FURTHER DETAILS WILL BE AVAILABLE ON CAPLA/IRWA WEBSITES IN DECEMBER
March 3, 2006  
CAPLA/IRWA Ski Trip  
at Lake Louise

March 16, 2006  
NEXUS Deadline  
for April issue

March 16, 2006  
Olds College  
24th Annual Reception

April 2006  
Golf Clinic

April 5, 2006  
Annual General Meeting

April 28, 2006  
P&NG Tenure  
Information Exchange

May 11, 12 & 13, 2006  
CAPLA Conference  
“Building Energy Together”

Don’t Forget to Vote