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RE-CAP is the monthly newsletter for CAPPa — (403) 265-1533 — cappacom@telus.net

18 March 2003 - Luncheon Topic

"Production Measurement — What are you Looking At?"

MONTHLY LUNCHEON - Palliser Hotel 12 noon

Tuesday, March 18, 2003

Members - \$22.00 Non-Members - \$30.00

*NB: If you make a reservation and do not attend – You will be Invoiced!
Fees are payable at the door by cheque or cash*

Speaker: Ken Stothers

Oilfield Accounting Services (See page 2 for details)

Call 265-1533, fax to 265-3783 or e-mail to cappacom@telus.net

Reservation Deadline is Noon – Tuesday, March 11, 2003

PRESIDENT'S REPORT

It is almost the end of February, I have indeed Curled, had lots of fun and enjoyed the company of members I had not previously met. For those of you who could not make it this year make a note to attend the next time CAPPa Curls. It was lots of fun and an excellent way to make new contacts or meet the voices from on the phone.

I would like to bring your attention to the email that CAPPa sent out regarding the Canadian School of Hydrocarbon Measurement and their upcoming conference. For those of you who have a desire for more detailed knowledge in this aspect of reporting and recording this conference will provide you with an ideal opportunity not only to add to your education and knowledge base. But also to make contact with people with whom you can call upon should you require assistance in the future.

CAPPa is in the process of doing an in depth study of our education program. The project is being headed up by Lorie Lindberg. She is talking to Employers as well as Senior PA's to gather some thorough feedback on our program; to determine where improvements can be made that will satisfy the needs of our membership and industry.

If she calls on you please make some time to accommodate her. Conversely if you would like to speak with her call the CAPPa office at 265-1533 and leave your name and number with Doreen or Angela to pass on to Lorie.

No doubt you, like I, were shocked by the recent huge jump in prices for natural gas. If you haven't already got a programmable thermostat now is the time to get one. The payout time is extremely quick especially at current rates.

PRESIDENT'S REPORT (Continued)

Of course those of you who choose to lock in your price for the long term are now smiling. For those of you waiting for rebates, based on what our premier has been saying in the House, my advice." Don't hold your breath while you wait. You would be better off turning your thermostat down and wearing a nice warm sweater around your home".

As always I appreciate hearing from the membership, please feel free to call me at the CAPPa office 265-1533, (directors have now all been set-up with individual voice mail boxes) or email me at → claudettes@shaw.ca

Claudette Shaw
President

March 18, 2003 Luncheon Topic

Topic: **Production Measurement — What are you Looking At?**
Location: Palliser Hotel
When: Tuesday, 18 March 2003
12 noon

Guest Speaker: **Ken Stothers**, Oilfield Accounting Services

Are your chart readings 100% accurate? Are your proration factors always 1.00000? Are your metering differences between 3 – 5%? Come to our next lunch and get "hot tips" on what to look at in analyzing your measurement readings. What happens when the orifice plate is in backwards or when the differential pen goes off the chart? What about plunger lift wells and wet meter wells? **As Production Accountants you play a huge role in analyzing the raw data - accurate measurement means revenue for your company.**

Renee Deveau
Guest Speakers

March Luncheon Speaker's Biography — Ken Stothers

Ken Stothers has worked for OAS Oilfield Accounting Service Ltd. for more than 30 years. In his position as Manager, Client Services, Ken has the opportunity to share his extensive knowledge of Gas Measurement with the industry. Ken started teaching at CAPPa Conferences back in the days of the Stampeder Hotel and since that time has made presentations to the EUB, the Canadian Gas Association Measurement School, the Institute of Internal Auditors and to countless field offices and production accounting groups. Ken is currently the Gas Measurement instructor for the CAPPa Certificate Level III program at Mount Royal College and SAIT, a position he has held for more than a decade.

FEBRUARY LUNCHEON SUMMARY

“Caring for the *Life* of Your Registered Plan – Yesterday, Today, & Tomorrow!”

Lynda Hay, a Senior Investment Advisor with TD Waterhouse, presented to the membership her ideas and insight in RRSP investing. Lynda started her presentation with the fact that the DOW was down 10% in January 2003 and that the past year has definitely presented challenges to the individual investor.

Lynda is a conservative investment advisor that believes in long-term strategy. She suggested that the first thing you must do is reevaluate your tolerance for risk. Ask yourself the following questions: Has your life changed – married, house, kids? Has your investment time horizon changed? Are you comfortable with your decisions of the past year? From your answers, you must then set an investment goal, put it in action and then, **stick with it**.

Looking at the markets today, as Lynda suggested, “Now is the best financial opportunity – companies are on sale right now.” Lynda believes in dollar-cost averaging, if you can, but don’t get greedy and stick with your principles. When you look at the comparison between chasing performance of a fund or sticking with your objective – sticking with your objective pays off in the long run.

Lynda presented various graphs and statistics that looked at other bear markets, the importance of asset mix and time. Lynda’s final point was, “Always talk to your advisor.”

Renee Deveau

Guest Speakers

Membership Director Report

The CAPP A Roster was mailed out last month. If you have not received yours, or require a correction in your contact information, please notify the CAPP A office or me. We would like to receive them by March 21 in order to get the corrections out in a timely manner.

CAPP A Bonspiel Report

The inaugural Curling Funspiel was held on Friday, February 21 at the Inglewood Golf and Curling Club. The event brought 29 members together for a very enjoyable event. There were 16 different companies represented. Thanks to the staff at the Inglewood Golf and Curling Club for the great meal and the terrific service. Everyone thoroughly enjoyed the curling, a great CAPP A souvenir, and the networking time afterwards. It was nice to relax and chat with some great people from our industry.



Special thanks go to SACA (Southern Alberta Curling Association) for providing our instructors: The instructors were extremely helpful and patient in providing hands on instruction for both beginners and pros. Their enthusiasm and love of the game was contagious and added to the great fun enjoyed by all.

Thanks to:

Theresa Grainger

Ernie Comerford

Michele Carr (also a CAPPa Member!)

Bonnie Simmons

Bob McKay

Upcoming Events:

Ski and Fun Travel – Spirits of the West

By a special arrangement with Ski and Fun Travel, we are passing on discounted pricing on their upcoming events (refer to the following flyer). Due to the nature of the events, the CAPPa office will coordinate the purchase of the **Spirits of the West** tickets. The Cut off date for the advanced tickets will be April 10, 2003. I will require your payment and the day that you want to attend.

Contact the Ski and Fun office: (403) 266-7300 for the other events.

CAPPa Golf Tournament

June 19, 2003 – Golf Tournament: Lynx Ridge Golf Course.

8:30 A.M. – 5:30 P.M.

Planning is currently underway for the Golf Tournament. Please find the registration form later in this issue of the ReCap. The date has been scheduled for Thursday, June 19 with a morning shotgun start. The golf committee is hard at work to ensure that this year's tournament is better than the last. I know that everyone who attends appreciates their fine work and dedication.



As always, I am looking for additional ways to provide more value for your membership. Please direct your comments and suggestions to me at → fongjs@telus.net

James Fong

Membership Director

Spirits of the West **Spirits, Wine, Beer, & Food Festival**

April 24, 25, 26, 2003

Devonian Gardens

Advance tickets are now on sale for **\$14**

Don't miss this spectacular show! This is the 5th year, which features
Spirits, Wine, Beer, & Food served by Calgary's premier agencies & restaurants.

The three live bands in attendance complement the scenic beauty of the Devonian Gardens.

There is also a charity silent auction in which 100% of the proceeds go to the Ability Society of Alberta.

SKI WHITEFISH
BACARDI BEACH PARTY WEEKEND

From \$139 CAN

April 4, 5, 6, 2003

Price Includes:

2 Nights Accommodation

3 Days Transportation

2 Day Lift Tickets

Free Hot Wax

Special Rental Rates

All Taxes

HOTEL	4/RM	3/RM	2/RM	
Motel 6 (Kalispell)	129	154	174	SOLD OUT
Diamond Lil (Kalispell)	139	159	179	
Allen Motel (Whitefish)	149	169	184	SOLD OUT
Super 8(Whitefish)	154	174	189	
Pine Lodge (Whitefish)	169	199	209	SOLD OUT
Rocky Mtn (Whitefish)	169	199	209	SOLD OUT

Prices quoted are cash discounted prices

All prices in Canadian Currency

For more information, please contact the Ski & Fun office at (403) 266-7300

Join a FUN Baseball

League This Summer!

\$54 / person + Taxes

Includes season & playoff games

\$100 deposit will guarantee your team's spot until March 15

For more information, please contact the Ski & Fun office at (403) 266-7300

CAPPA Tradeshow 2003

CAPPA will be holding a one-day tradeshow at the Metropolitan Centre, Calgary on Thursday, May 22, 2003. This one-day tradeshow will be similar in format to the last tradeshow held in June 1999 at the Eau Claire Sheraton in Calgary. Booths will be set up for Production, Revenue & Royalty accounting related businesses, service providers, non-profit organizations and education institutions to show their wares all under one roof. It will be a one-stop shop to see what's new in the area of systems, services, the regulators and the education institutions. Be sure to mark it on your calendar.

Stay tuned for more information in up-coming Re-Caps. If you are a potential exhibitor and are interested participating as an exhibitor in the tradeshow, the exhibitor package is available by e-mail at → cappacom@telus.net

EUB AUDITOR'S CORNER

Load Fluid Accounting

What goes down, must come up! This theory is not only true for a child's yo-yo, but also applies to load fluid. On occasion, an operator will inject any number of products, including oil and/or water, down the well bore in hopes of improving a well's producing capability or to "kill" the well. Once put down hole, this fluid comes back up and **must** be accounted for accurately before any "like" production is attributed to the well. What this means is that if 20.0 m³ of "load oil" is used for servicing, then, upon completion of the injection operations, the first 20.0 m³ of oil received from the well would be considered as "recovered fluid". This volume is **not** to be included in the well's oil production for the month. **This is vital to remember when doing the accounting for a well to ensure that a company is not over-stating production and potentially paying royalties on "non-existent" oil production.**

Load fluids are subject to the same measurement requirements applicable to produced or injected fluids; therefore, a number of operational procedures must be followed during load recovery. For any well in a proration battery, the operator must test the well as soon as possible upon completion of load fluid injection to determine recovery rates of all fluids. This information aids the operator in determining when all load fluid has been recovered and new production is being brought to surface. Then the well must be re-tested to establish new fluid rates for calculating estimated production.

Another very important issue is that the reported hours must reflect the total hours during which formation gas or liquids were produced. This includes hours when the well is recovering load fluid while also producing formation fluids (i.e.: if you can run a test vessel, there must be gas being produced, so you will have gas production hours that must be reflected in the total hours). **Production accountants must make sure they keep this in mind when doing the accounting for a well on load fluid recovery - if you notice that producing hours are not reported for this time-period, question the operator regarding this issue.**

EUB's Guide 7 (May 2001 edition), Appendix 7 outlines the two methods for calculating well production in a month in which load fluid was injected and recovered. Also, noted in Appendix 9 of the Draft Guide 7 (September 2002 – available on the EUB's website at www.eub.gov.ab.ca), are all new guidelines required to ensure accurate reporting of load fluid to the Petroleum Registry.

We trust this article has helped clarify the bigger picture regarding load fluid, both from an operational and accounting aspect. Stay tuned for our next month's article titled "**The GORy Details**".

Questions or suggestions for topics of discussion in Recap may be directed to the EUB Production Audit Team care of Wendy French at 297-3198 or at → wendy.french@gov.ab.ca

EUB Production Audit Team

Mount Royal College - Seminar Offering

Alberta Crown Invoice

This seminar, designed for those at beginner to intermediate levels, will focus on the Crown Invoice and its components. Hands-on examples of validation and potential business risk items will be covered.

Instructor: Darrell Field

CRN 30360 (XCAP 30001) CAPPAs Members

Fee: \$200

CRN 30377 (XCAP 30001) Non-members

Fee: \$300

Date: Wednesday, March 19

Time: 8:30 AM to 4:30 PM

Location: City Centre Campus
833 – 4th Avenue SW

To Register: By phone – 240-3833 with Visa or MasterCard
In person – City Centre Campus or Lincoln Park Campus,
4825 Richard Road SW

Marlene Dreher
Mount Royal College

SAIT — Education Update

SAIT is currently hosting a full time CAPPAs Day Program. This program started on December 2, 2002 and it will continue to the end of April 2003. The students are selected through a careful process to make sure only the most suitable candidates for the Petroleum Industry are chosen. This program offers the core CAPPAs courses as well as additional courses to prepare the graduate for the challenges of the Petroleum Industry. Additional courses are: Financial Accounting, Excel (Computerized Production Accounting on a PC), Computerized Production Accounting using QByte Prism Software, Soft Skills and also the Registry Modules.

There is a practicum (hands-on-training) component to this program starting May 1, 2003. Presently, we are seeking for oil companies to host one or more students from this program to provide the students with a relevant work experience. This program is designed to:

- Increase the Productivity of the Host Company
- Provide the opportunity to observe the skills and potential of possible future employees
- Assist the students to gain exposure to Production Accounting beyond the classroom Training

Note: There is no expectation/obligation for compensation or employment from the company. The students have WCB coverage under SAIT. Please call Maryam Behnia at 284-8887 for any inquiries.

Maryam Behnia:
SAIT



Members of SAIT's Current Day program at the
CAPPAs Networking Night – January 2003

MEMBER ANNOUNCEMENTS

This section is used to track of our membership and important milestones in their lives and to keep track of friends and colleagues as they move around within the oil and gas industry. Feel free to contribute your announcement (or an announcement for a co-worker) by sending us an email at → cappacom@telus.net In your subject line include the words “**Recap Member Announcements**”.

Welcome Back

to the following Members

Loan Dang Trans World Oil & Gas Ltd.

Colin Fox NCE Petrofund Corp.

Juliette Paul Trans World Oil & Gas Ltd.

John Plecan J.M.R. Plecan & Associates

New Members

CAPPA is pleased to welcome the following new members to the Association.

Hugh Bingham

Ileana Calin Devon Canada Corp.

Irene Galbraith Suncor Energy Inc.

Tatiana Gibson

Bev Henkel NCE Petrofund Corp.

Lancelot Huggins

Allan Wark Suncor Energy Inc.

Mary Ann Wright

Consultant's Corner

This section is for any consultants or contractors looking to advertise their availability or services to people looking for contractors during this time of great change. If you are interested in running your business card (or a business card sized ad), please send an original business card to CAPPA, PO Box 36, Stn. 'M', Calgary AB T2P 2G9.

MARCH

2003

Monday	Tuesday	Wednesday	Thursday	Friday
3 Government Liaison Committee Meeting	4	5	6	7
10	11	12 Board of Directors Meeting	13	14
17	18 <u>CAPPA Luncheon</u>	19	20 <u>Recap Submission</u> Education and Conference Meetings	21
24	25	26	27	28
31 <u>Recap Mailing</u>				

APRIL

2003

Monday	Tuesday	Wednesday	Thursday	Friday
	1	2	3	4
7 <u>Meetings:</u> Government Liaison & Conference Committees	8	9 Board of Directors Meeting	10	11
14	15 <u>CAPPA Luncheon</u>	16	17 Education and Conference Meetings	18 <u>Good Friday</u>
21 <u>Recap Submission</u>	22 <u>CAPPA Luncheon</u>	23	24	25
28	29	30 <u>Recap Mailing</u>		

MAY

2003

Monday	Tuesday	Wednesday	Thursday	Friday
			1	2
5 Government Liaison Committee Meeting	6	7 Conference Committee Meeting	8	9
12	13	14 Board of Directors Meeting	15 Education Committee Meeting	16
19 <u>Victoria Day</u>	20 <u>Recap Submissions</u>	21	22 <u>CAPPA Trade Fair Metropolitan Centre</u>	23
26	27	28	29	30 <u>Re-Cap Mailing</u>

JUNE

2003

Monday	Tuesday	Wednesday	Thursday	Friday
2 Government Liaison Committee Meeting	3 Conference Committee Meeting	4	5	6
9	10	11 Board of Directors Meeting	12	13
16	17	18	19 Education Meeting <u>Golf Tournament at Lynx Ridge</u>	20 <u>Recap Submission</u>
23	24 <u>CAPPA Luncheon</u> Conference Committee Meeting	25	26	27
30 <u>Recap Mailing</u>				



CAPPA 2002-2003 Officers & Directors

CAPPA

The Canadian Association
of Petroleum Production
Accounting

P.O. Box 36
Station M
Calgary, AB T2P 2G9

PHONE:

(403) 265-1533

FAX:

(403) 265-3783

E-MAIL:

cappacom@telus.net

Job Board & Information Line:

265-1533

**CAPPA is on
the web!**
www.cappa.org

2002/2003 Officers

President Claudette Shaw Apache Canada Ltd. 531-8130
Past President..... Dennis McRae Syncrude 538-4471
Vice-President Stuart Baker 274-4256
Secretary Gail Quartly Summit Resources Ltd. 269-4432
Treasurer Debi Holland R & D Holland Consulting 202-1188

2002/2003 Directors

Government Liaison... Earl Quantz..... CGI..... 218-8379
Communications Al McCue Apogee Services 804-3569
2003 Conference Bill Nash BMP Energy 261-7239
Education Tom Hamilton 236-5666
Hotel Liaison Shirley Dunn 208-2608
Membership James Fong 257-1452
Guest Speakers Renee Deveau..... Talisman Energy 237-4801

Upcoming Publication Dates

Luncheon Dates:..... March 18..... April 15..... May 20

Article Submission Dates: March 20..... April 21..... May 20

Recap Mailout Dates:..... March 31..... April 30..... May 30

Please Print

Roster Change

Name: _____ Office Home

Title: _____ Company: _____

Mailing Address: _____

City: _____ Prov: _____ PC: _____

Phone: _____ Fax: _____ Email: _____

To be announced in CAPPA Recap

Roster list only

Please fax to CAPPA at (403) 265-3783