Unified Enterprise Survey - Annual

Exploration Development and Capital Expenditures

Petroleum and Natural Gas Industry

Revised Forecast 2001

FORM MP8

Reporting Guide

General Instructions

A. **Organization Identification (page 1)**

The printed label on page 1 indicates the most current identification of your organization on our files. Please use the appropriate space below the label to make any changes that would reflect a better description of your operations for this particular report.

B. **Type of Ownership (page 1)**

Ownership is defined as a government entity, person, group of persons, agency or incorporated body controlling more than 50% of the voting rights.

NOTE: Financial assistance (grants, subsidies, etc.) provided by any level of government to an enterprise and/or institution does not necessarily constitute ownership of that organization.

PARTNERSHIP AND JOINT VENTURE - regarding partnerships and joint venture activities or projects, report the expenditures reflecting your company's net interest in such projects or ventures.

CANADA LANDS - for this report, the Canada Lands should be assigned as follows:

– Offshore Newfoundland is assigned to Newfoundland
– Offshore Nova Scotia is assigned to Nova Scotia
– St-Lawrence except offshore Newfoundland and offshore Nova Scotia is assigned to Quebec
– Hudson Bay and Strait is assigned to Ontario
– Offshore Pacific is assigned to British Columbia
– Yukon
– Beaufort Sea and Mackenzie Delta assigned to Northwest Territory
– Sverdup Basin, North Stable Platform and Arctic Fold Belts are assigned to Northwest or Nunavut Territories

Definitions

CONVENTIONAL SECTOR (pages 2 and 3)

1. **Oil and gas rights acquisition and retention costs** (excluding inter-company sales or transfers) includes:

   a) Acquisition costs and fees for oil and gas rights (include bonuses, legal fees and filing fees).

   b) Oil and gas rentention costs.

2. **Costs of land and lease purchased:** Purchases from companies that are engaged primarily in petroleum activities.

3. **Geological and geophysical expenditures:** Include such activities as seismic crew expenses, both company owned and contract. Include camp bulldozing and dirt work, flying crews in and out, seismograph, velocity survey, gravity meter, magnetometer, core drilling, photo geological digital processing, magnetic playback and bottom hole contributions and environmental impact studies and other similar pre-exploration expenditures. All seismic or geological and geophysical expenditures (including stratigraphic tests) should be reported here, whether such activity is deemed exploration or development by the company.

   ** **Exploration and development expenditures:** Should be reported **gross** (whether capitalized or expensed) before deducting any incentive grants.

4. **Exploration drilling:** Drilling outside a proven area or within a proven area but to a previously untested horizon, in order to determine whether oil or gas reserves exist rather than to develop proven reserves discovered by previous drilling. Include cost of dry wells, casing and other materials and equipment abandoned in place; productive wells, including capped wells; and wells still in progress at year end. Include also, costs incurred in fighting blowouts, runaways and in replacing damaged equipment.

5. **Development drilling:** Drilling within the proven area of an oil gas reservoir to the depth of a stratigraphic horizon known to be productive for the purpose of extracting oil or gas reserves. This will cover costs of dry wells; including casing and other materials and equipment abandoned in place; productive wells, including capped wells; and wells still in progress at year end. Include also costs incurred in fighting blow-outs, runaways and in replacing damaged equipment. Exclude costs associated with service wells.

   NOTE: There should be no development expenditures until a development plan has been approved.

6. **Production facilities:** Include tangible well and lease equipment comprising casing, tubing, wellheads, pumps, flowlines, separators, treaters, dehydrators. Include gathering pipelines, lease and centralized tank batteries and associated facilities prior to delivery to trunk pipelines terminals, and other production facilities. Include also, costs associated with intangibles such as pre-production studies costs and those expenditures that you consider to be pre-development.

7. **Non-production facilities:** Include automotive, airplane, communication, warehouse, dock, office and miscellaneous equipment not otherwise provided.

8. **Enhanced recovery projects:** Include only expenditures on facilities in tertiary projects involving steam injection, miscible flooding, etc. Include service wells, both tangible and intangible, including the costs of drilling and equipping injection wells and also the cost of capitalized injection fuel (miscible fluid) costs, but exclude non-recoverable injection fluids charged to current operations.

9. **Natural gas processing plants:** Report only the capitalized amounts of the plants, including structures, measuring, regulating and related equipment (please include straddle plants).

10. **Drilling Rigs and supply boats:** Expenditures including progress payments for the purchase of new and imported used and new drilling rigs (on and offshore) and supply boats.

11. **Office buildings:** Include office buildings and any other closely related structures not included above.

12. & 13. **Purchase of Used Assets in Canada:** Include here the total of used or existing assets purchased in Canada. Data is needed separately to identify the existing assets that were used previously in Canada and were already included in measurements for those previous years.

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NON-CONVENTIONAL SECTOR (page 4)

The Non-Conventional Sector relates to operations as defined in the A.E.U.B. Publication Alberta Active Projects - Oil Sands and Heavy Oil Schemes (Catalogue A.E.U.B. ST-97-44). Effectively, these operations take place in the geographical areas of Cold Lake, Peace River, Athabasca, Wabasca and Lindbergh, etc.

Regarding partnerships and joint venture activities or projects, report the expenditures reflecting your company's **net** interest in such oil sands projects or ventures. Capital expenditures for the Bi-Provincial Upgrader should be included in the schedule.

NOTE: **Syncrude participants:** If you are a participant in the Syncrude project, please exclude your participation when filing this report. Arrangements have been made to collect data for this project on a consolidated report.

1. **Land and Lease Acquisition and Retention:**

   a) Acquisition costs, oil rights fees and retention costs.

   b) Cost of land and lease purchased from others.

2. **Machinery and Equipment:** Include items such as boilers, compressors, motors, pumps and any other items that may be termed manufacturing or mining equipment as opposed to a fixed installation such as a building.

3. **Housing:** Value of residential structures and related infrastructure within a company townsite.

4. **Drilling Expenditures, Pre-mining, Research, and Other Costs:** Drilling expenditures include core hole and delineation drilling. Include the cost of casing and other materials and equipment left in place, core analysis, logging, road building, and other directly related services. Pre-mining costs include overburden removal and other pre-production expenditures. Research costs include laboratory work, consultants' fees, performance evaluations, and experimental pilot plants (including any capitalised operating costs). Other costs include items such as drainage systems, roadways, tankages, anti-pollution equipment and fixed installations not including machinery and equipment included in item 2 above.

5. **Purchase of Used Fixed Assets:** Used fixed assets may be defined as existing buildings, structures or machinery and equipment which have been previously used or developed by another organization in Canada that you have acquired during the reporting period.

6. **Total:** The addition of lines 1 to 5.