Unified Enterprise Survey - Annual

FORM FP8

Exploration, Development and Capital Expenditures

Petroleum and Natural Gas Industry

Preliminary Estimate for 2011 and Intentions for 2012

Reporting Guide

General Instructions

Please report only for the business unit and activity specified on the label.

A. Organization Identification *(page 1)*

The pre-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 and Labrador is assigned to Newfoundland and Labrador
– Offshore Nova Scotia is assigned to Nova Scotia
– St-Lawrence except offshore Newfoundland and Labrador 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 Territories
– Sverdup Basin, North Stable Platform and Arctic Fold Belts are assigned to Northwest or Nunavut Territories

The Non-Conventional Sector for oil sands 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.

Data sharing Agreements

To reduce respondent burden, Statistics Canada has entered into data sharing agreements with provincial and territorial statistical agencies and other government organizations, which must keep the data confidential and use them only for statistical purposes. Statistics Canada will only share data from this survey with those organizations that have demonstrated a requirement to use the data.

Section 11 of the *Statistics Act* provides for the sharing of information with provincial and territorial statistical agencies that meet certain conditions. These agencies must have the legislative authority to collect the same information, on a mandatory basis, and the legislation must provide substantially the same provisions for confidentiality and penalties for disclosure of confidential information as the *Statistics Act*. Because these agencies have the legal authority to compel businesses to provide the same information, consent is not requested and businesses may not object to the sharing of the data.

For this survey, there are Section 11 agreements with the provincial and territorial statistical agencies of Newfoundland and Labrador, Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia, and the Yukon.

The shared data will be limited to business establishments located within the jurisdiction of the respective province or territory.

Section 12 of the *Statistics Act* provides for the sharing of information with federal, provincial or territorial government organizations. Under Section 12, you may refuse to share your information with any of these organizations by writing a letter of objection to the Chief Statistician and returning it with the completed questionnaire. Please specify the organizations with which you do not want to share your data.

For this survey, there are Section 12 agreements with the statistical agencies of Prince Edward Island, the Northwest Territories and Nunavut as well as Natural Resources Canada, Environment Canada, the Newfoundland and Labrador Department of Mines and Energy, the Nova Scotia Department of Natural Resources, the New Brunswick Department of Natural Resources, the Ontario Ministry of Northern Development and Mines, Manitoba Science, Technology Energy and Mines and the British Columbia Ministry of Energy, Mines and Petroleum Resources.

For agreements with provincial and territorial government organizations, the shared data will be limited to business establishments located within the jurisdiction of the respective province or territory.

Paragraph 12(2)(b) of the *Statistics Act* states that respondents cannot object to the sharing of their information with organizations that are authorized by law to require the respondent to provide the same information. For this survey, agreements exist under paragraph 12(2)(b) with the Canadian Radio-television and Telecommunications Commission (CRTC) and the Saskatchewan Department of Energy and Mines. More precisely, section 37 of the *Telecommunications Act* provides the authority for the CRTC to require this information. The Saskatchewan Department of Energy and Mines requires this information pursuant to the Saskatchewan *Mineral Resources Act* and only data from business establishments located in Saskatchewan will be shared with it.

Fiscal Year End

For the purpose of this survey, please report information for your **12 month fiscal period** for which the **FINAL DAY** occurs on or between April 1, 2011 - March 31, 2012 for 2011 and April 1, 2012 - March 31, 2013 for 2012.

The following are acceptable report periods for **2011**:

May	2010	-	April	2011	(04/11)
June	2010	-	May	2011	(05/11)
July	2010	-	June	2011	(06/11)
Aug.	2010	-	July	2011	(07/11)
Sept.	2010	-	Aug.	2011	(08/11)
Oct.	2010	-	Sept.	2011	(09/11)
Nov.	2010	-	Oct.	2011	(10/11)
Dec.	2010	-	Nov.	2011	(11/11)
Jan.	2011	-	Dec.	2011	(12/11)
Feb.	2011	-	Jan.	2012	(01/12)
March	2011	-	Feb.	2012	(02/12)
April	2011	-	March	2012	(03/12)

The following are acceptable report periods for **2012**:

May	2011	-	April	2012	(04/12)
June	2011	-	May	2012	(05/12)
July	2011	-	June	2012	(06/12)
Aug.	2011	-	July	2012	(07/12)
Sept.	2011	-	Aug.	2012	(08/12)
Oct.	2011	-	Sept.	2012	(09/12)
Nov.	2011	-	Oct.	2012	(10/12)
Dec.	2011	-	Nov.	2012	(11/12)
Jan.	2012	-	Dec.	2012	(12/12)
Feb.	2012	-	Jan.	2013	(01/13)
March	2012	-	Feb.	2013	(02/13)
April	2012	-	March	2013	(03/13)

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Definitions

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.

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.

1. **Oil and gas rights acquisition and retention costs** *(**exclude** inter-company sales or transfers)* includes:
   - Acquisition costs and fees for oil and gas rights *(**include** bonuses, legal fees and filing fees)*
   - Oil and gas rentention costs

2. **Cost of land and lease purchased from other petroleum companies:** 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, core analysis, logging, road building and other directly related services. **Include** also costs incurred in fighting blowouts, 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 and pre-mining costs: 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 pipeline 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. **Include** also, overburden removal and other pre-production expenditures as well as, laboratory work, consultants' fees, performance evaluations and experimental pilot plants (including any capitalized operating costs).

7. **Assets other than production facilities (machinery and equipment): Include** automotive, airplane, communication, warehouse, dock, office and miscellaneous equipment not otherwise specified. **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.

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 drilling rigs *(on and offshore)* and supply boats. **Include** also those drilling rigs and supply boats imported into Canada *(both new and/or used)*.

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

12. **Coal bed methane extraction:** Report all expenditures related to coal bed methane extraction.

13. **Total:** The addition of lines 1 to 12.

YEAR OVER YEAR VARIATION OF CAPITAL EXPENDITURES

Complete this section **only if this report shows significant changes** in TOTAL capital expenditures over previous fiscal period. The intent of this section is to reduce possible further inquiries by clarifying the reason(s) for major changes in the capital expenditures reported.

If there has been a launch of a major project or expansion of an existing project, please provide the nature, location, and (if applicable) the name(s)/title(s) of the project in the comment section of the questionnaire.