Unified Enterprise Survey - Annual

Exploration, Development and Capital Expenditures

Petroleum and Natural Gas Industry

Preliminary Estimate for 2002 and Forecast for 2003

FORM FP8

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 Territories
- Sverdup Basin, North Stable Platform and Arctic Fold Belts are assigned to Northwest or Nunavut Territories

Under section 11 of the *Statistics Act*, Statistics Canada has entered into data sharing agreements with the statistical bureaus of Newfoundland and Labrador, Nova Scotia, New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. Statistics Canada only enters into section 11 agreements with provincial statistical agencies which have statistics acts similar to the federal act. These agencies have the authority to collect this information and the same provisions for confidentiality and penalties for disclosure of information as the Federal Statistics Act.

Under section 12 of the *Statistics Act*, Statistics Canada has entered into data sharing agreements with the Prince Edward Island Department of the Provincial Treasury, the Nova Scotia Department of Natural Resources, the Northwest Territories Bureau of Statistics, the Nunavut Bureau of Statistics, the Yukon Bureau of Statistics and Natural Resources Canada. The agreements we have with these agencies require that they keep the information confidential and use it only for statistical and research purposes. Under section 12, respondents may object to the sharing of their information with any of these agencies by giving notice in writing to the Chief Statistician and by returning their letter of objection along with the completed questionnaire in the enclosed envelope.

"To reduce response burden and to ensure more uniform statistics, Statistics Canada has entered into an agreement under section 12 of the *Statistics Act* with the Canadian Radio-television and Telecommunications Commission (the CRTC) for the sharing of information from this survey pertaining to the telecommunications services industry (NAICS 5133). Subsection 12(2) of the *Statistics Act* provides that where a respondent gives notice in writing to the Chief Statistician that the respondent objects to the sharing of the information by Statistics Canada, the information not be shared with the department or corporation unless the department or corporation is authorized by law to require the respondent to provide the information. The CRTC is authorized by law to require the respondent to provide the information under section 37 of the *Telecommunications Act*. Information provided to the CRTC will be treated in accordance with the requirements of section 39 of the *Telecommunications Act*."

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, 2002 - March 31, 2003 for 2002 and April 1, 2003 - March 31, 2004 for 2003.

The following are acceptable report periods for **2002:**

May	2001	-	April	2002	(04/02)
June	2001	-	May	2002	(05/02)
July	2001	-	June	2002	(06/02)
Aug.	2001	-	July	2002	(07/02)
Sept.	2001	-	Aug.	2002	(08/02)
Oct.	2001	-	Sept.	2002	(09/02)
Nov.	2001	-	Oct.	2002	(10/02)
Dec.	2001	-	Nov.	2002	(11/02)
Jan.	2002	-	Dec.	2002	(12/02)
Feb.	2002	-	Jan.	2003	(01/03)
March	2002	-	Feb.	2003	(02/03)
April	2002	-	March	2003	(03/03)

The following are acceptable report periods for **2003:**

May	2002	-	April	2003	(04/03)
June	2002	-	May	2003	(05/03)
July	2002	-	June	2003	(06/03)
Aug.	2002	-	July	2003	(07/03)
Sept.	2002	-	Aug.	2003	(08/03)
Oct.	2002	-	Sept.	2003	(09/03)
Nov.	2002	-	Oct.	2003	(10/03)
Dec.	2002	-	Nov.	2003	(11/03)
Jan.	2003	-	Dec.	2003	(12/03)
Feb.	2003	-	Jan.	2004	(01/04)
March	2003	-	Feb.	2004	(02/04)
April	2003	-	March	2004	(03/04)

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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. **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. 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 specified.

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. and 13. **Purchase of Used Canadian Assets:** 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.

NON-CONVENTIONAL SECTOR - Oil Sands - Coal Bed Methane (page 4)

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.

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 of 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 *(include overburden removal)*, 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 capitalized 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. **Coal bed methane extraction:** Report all expenditures related to coal bed methane extraction.

6. **Purchase of used canadian 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.

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