

Exploration, Development and Capital Expenditures

Petroleum and Natural Gas Industry

Preliminary Estimate for 2008 and Intentions for 2009



Reporting Guide

General Instructions

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

Data sharing Agreements

To avoid duplicating survey activity, Statistics Canada has entered into the following data sharing agreements concerning this Survey.

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, British Columbia and Yukon. Statistics Canada only enters into section 11 agreements with provincial statistical agencies which have statistic 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 Energy, Mines and Resources Canada, Industry, Science and Technology Canada, Canada Mortgage and Housing Corporation, Environment Canada, Newfoundland Department of Mines and Energy, the Prince Edward Island Department of the Provincial Treasury, Nova Scotia Department of Mines and Energy, New Brunswick Department of Natural Resources, Ontario Ministry of Northern Development and Mines, Manitoba Department of Energy and Mines, Saskatchewan Department of Energy and Mines, British Columbia Ministry of Energy, Mines and Petroleum Resources, the Northwest Territories Bureau of Statistics and the Nunavut Bureau of Statistics. 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.

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, 2008 - March 31, 2009 for 2008 and April 1, 2009 - March 31, 2010 for 2009.

The following are acceptable report periods for **2008**:

May	2007	-	April	2008	(04/08)
June	2007	-	May	2008	(05/08)
July	2007	-	June	2008	(06/08)
Aug.	2007	-	July	2008	(07/08)
Sept.	2007	-	Aug.	2008	(08/08)
Oct.	2007	-	Sept.	2008	(09/08)
Nov.	2007	-	Oct.	2008	(10/08)
Dec.	2007	-	Nov.	2008	(11/08)
Jan.	2008	-	Dec.	2008	(12/08)
Feb.	2008	-	Jan.	2009	(01/09)
March	2008	-	Feb.	2009	(02/09)
April	2008	-	March	2009	(03/09)

The following are acceptable report periods for **2009**:

May	2008	-	April	2009	(04/09)
June	2008	-	May	2009	(05/09)
July	2008	-	June	2009	(06/09)
Aug.	2008	-	July	2009	(07/09)
Sept.	2008	-	Aug.	2009	(08/09)
Oct.	2008	-	Sept.	2009	(09/09)
Nov.	2008	-	Oct.	2009	(10/09)
Dec.	2008	-	Nov.	2009	(11/09)
Jan.	2009	-	Dec.	2009	(12/09)
Feb.	2009	-	Jan.	2010	(01/10)
March	2009	-	Feb.	2010	(02/10)
April	2009	-	March	2010	(03/10)

Definitions

CONVENTIONAL SECTOR AND COAL BED METHANE EXTRACTION (pages 2 and 3)

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 retention 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 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: 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.
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. **Coal bed methane extraction:** Report all expenditures related to coal bed methane extraction.
13. **Total:** The addition of lines 1 to 12.

NON-CONVENTIONAL SECTOR - Oil Sands (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:**
 - Acquisition costs of oil rights, fees and retention costs
 - 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. **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.
4. **Total:** The addition of lines 1 to 3.