

# *Canadian Association of Petroleum Landmen*



## 2005 ANNUAL REPORT

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# Association Profile

**THE CANADIAN ASSOCIATION OF PETROLEUM LANDMAN (CAPL) IS A NON-PROFIT, VOLUNTARY ORGANIZATION FOR LANDMEN IN CANADA.**

The organization's objective is to engage and promote activities to enhance the value of its membership and promote the role of the Landman Profession. The association is able to achieve these goals through the volunteer efforts of its members, the promotion of education and training in petroleum land management, engagement and input in public and government relations, the promotion of fellowship and cooperation among its members through Association-sponsored activities, and the establishment of professionalism and ethical standards. A Board of Directors consisting of 13 elected volunteers enable the CAPL to execute its annual objectives.

In 2005, the CAPL continued its involvement in numerous government and industry initiatives, including its focus on addressing and resolving issues within the industry and with the individuals and communities affected by oil and gas operations. Through its sponsorship and promotion of activities that



have presented a positive profile of the landman professional within the rural and agricultural community, the CAPL has demonstrated its desire to work constructively with the complex web of stakeholders that are affected by industry activity. In addition, through the addition of several new educational courses and seminars, the CAPL continued its mandate to provide timely and relevant information to its members.

The CAPL is supported by its full time staff members, Denise Grieve, Karin Steers and Irene Krickhan. CAPL relies heavily on this small group, as they work tirelessly to ensure that all activities, educational seminars and administrative details are executed on a timely and accurate basis.

The success of the CAPL is in large part due to the generous support of its corporate and industry sponsors. These organizations



range from industry companies who afford their CAPL members the time to work on volunteer committees, to financial support from numerous corporations related to both the Land Profession and the Oil & Gas Industry. The CAPL gratefully acknowledges their generosity and invaluable contributions, without which the CAPL would not be able to provide the high standards of quality which has been achieved.

# President

**AS IN THE PAST, THE YEAR 2005 PRESENTED MANY NEW CHALLENGES FOR THE CAPL.** In true CAPL style, our terrific teams comprising hundreds of volunteers, together with the Board of Directors and our dedicated office staff, brought forth another year of excellent accomplishments for which CAPL members can be proud.

In 2005 the Association embarked on a path intended to strengthen the education requirement of new Land Agents, and to provide improved ongoing education for all of our current field services members. The CAPL has worked with government representatives and many stakeholder groups to institute changes to the Land Agents Licensing Act. These collaborative-effort modifications to the existing criteria will be profoundly important to future land access. Rural and urban MLA's will be made aware of the private member bills as well as the proposed changes to our industry's business, which will have an impact on every oil and gas company operating in Alberta.

The CAPL's recent efforts in public relations are among many firsts for our organization. Through CAPL's sponsorship of the Calgary Stampede Steer Classic 2005 the Association demonstrated its continued support of the beef industry and of the farmers and ranch-

ers of tomorrow through the donations made to the Alberta 4-H Legacy Fund. Through these positive efforts, the spotlight will continue to shine on the CAPL's good name in our rural agricultural community. This initiative may become the most significant and important public relations effort this Association has ever undertaken, and the CAPL continues to capitalize on the trail it successfully blazed in 2004 with the Landman's Beef Benefit.

In 2005, the CAPL realized revenues in excess of \$1.75 million and expenses in the area of \$1.7 million, a good indication that while the cost of services in every sector of business continues to rise, the CAPL is able to deliver excellent services for the same annual dues. The membership base has continued to grow by approximately 60 members per year; however with the passing of new Land Agents Licensing legislation anticipated in 2006, this number could increase significantly. With annual dues of only \$250.00, the CAPL consistently is able to deliver the best value compared with any other professional organization in the nation.

In September, the 2005 CAPL Conference Committee led delegates and guests to a truly unique experience in Niagara Falls, Ontario, for the 27th Annual Conference. For those fortunate enough to attend, the many



unique experiences of that Conference will endure for a lifetime. Plans for the 2006 CAPL Conference in Montreal, PQ (September 24-27, 2006) are underway. Members, guests and exhibitors can anticipate an outstanding slate of speakers for the program sessions, timely and valuable educational courses as well as some memorable activities and networking events.

I am proud to have received the honor to serve as President of the CAPL this past year. Once again, I wish to thank the CAPL volunteers and the Board of Directors. The CAPL is an outstanding association built on a tradition of enthusiasm, professionalism and hard work. As our Association moves forward, I am confident that the CAPL will continue to serve its membership with increased quality and positive value.

*Guy R. Anderson, P.Land  
President*

# Vice President

**THE ROLE OF THE VICE PRESIDENT OF THE CAPL HAS BEEN TO ASSIST THE PRESIDENT IN CO-ORDINATING ALL OF THE ASSOCIATION'S PRIMARY ACTIVITIES.** These duties include assistance with the organization of CAPL's 10 annual general meetings, representing the Board of Directors on the ensuing year's annual Conference Committee, participating as a member of the future Conference Site Selection Committee, and any other duties assigned by the President. The most important duty of the Vice President is to give direction in all matters relating to the CAPL office and to oversee the CAPL office staff.

In 2005, CAPL hired another full-time employee, Irene Krickhan, as office administrator. Currently, the CAPL office has three full-time employees, Denise Grieve, Karin Steers and Irene Krickhan, plus a part-time employee, Betty Cousins. The Association is very proud of the efforts of the CAPL office staff through their daily assistance of CAPL members and the Board of Directors. The CAPL's outstanding continuing education courses, general meetings, conferences, communications, website, public relations and social activities

have been consistently enhanced by the invaluable contribution of the CAPL's staff.

The General Meetings Committee continues to look for new venues and interesting speakers to enhance the general meetings. In addition to the sit-down general meetings, the Committee also organizes several networking meetings which provide members the opportunity to fraternize with their peers.

The 28th Annual Conference of the CAPL will be held in Montreal, Quebec from September 24-27, 2006 under the leadership of Walter Vrataric and his capable team. The theme of the 2006 conference is "Carpe Diem – Seize the Day". The selection of Montreal as the Conference site has provided the organizing committee with several fantastic options for dynamic business speakers, networking locations and activities, thereby setting the stage for the 2006 CAPL Conference to be the most successful ever.

The mandate of the Site Selection Committee is to recommend the next year's Conference chair, and then to assist that new chair in selecting the next future Conference site. The Vice President meets with the members of the Site Selection Committee and



provides input on behalf of the Board in these important decisions.

All of the members of the Board of Directors, member volunteers and CAPL staff are continually striving to add value to holding a membership in the CAPL. By supporting the efforts of the various committee initiatives and the decisions of the elected Board of Directors, the CAPL members may look forward to an equally successful year.

*∞ Ian R.D. Clark, P. Land  
Vice President*

# Business Development

**THE MAIN OBJECTIVE OF THE CAPL BUSINESS DEVELOPMENT PORTFOLIO IS TO INTERACT WITH THE FEDERAL AND PROVINCIAL GOVERNMENTS,** as it relates to energy matters, and particularly petroleum and natural gas tenure issues. This interaction primarily takes place between the CAPL Petroleum and Natural Gas Tenure Committees and the provinces of Saskatchewan and BC; and in the case of Alberta, by the Industry Advisory Committee – Petroleum and Natural Gas Tenure Review, chaired by Alberta Department of Energy. The CAPL is well represented by a number of dedicated volunteers on each of these committees.

Over the past year one of the main items of focus for Alberta Energy has been the continuing move to additional electronic processes; and the CAPL has been integral in the research, planning, testing and implementation stages. This has included the successful launch of the e-transfer process which became mandatory on January 1, 2005, the implementation of e-postings which became mandatory on March 30, 2005, and the work-in-progress development of

e-bidding which will be in effect commencing with the June 28, 2006 Alberta Crown sale. The CAPL intends to continue its participation and involvement with Alberta Energy, primarily through the Industry Advisory Committee, to ensure that e-bidding will function in a way that meets industry requirements.

Diligent efforts are continuing by the Operating Procedure Committee, chaired by Jim McLean, to finalize the 2005 CAPL Operating Procedure. Following the completion of the new Operating Procedure, the CAPL plans to focus its efforts towards producing updated versions of both the 1997 CAPL Farmout and Royalty Procedure and the 1997 CAPL Royalty Procedure. In addition a new committee is being established to produce a revised CAPL Freehold Petroleum and Natural Gas Lease. The Saskatchewan Land Titles Committee, chaired by Jonathan Chapman, has worked extensively with Information Services Corporation of Saskatchewan to improve processes in the Land Titles Registry.

All of these endeavours require extensive participation by a large number of volunteers. The CAPL is fortunate to have many talented members willing to dedicate their



time and effort to matters of such significant importance to the entire oil and gas industry.

*Cam Weston, P. Land  
Director, Business Development*

# Communications

**THE PRINCIPLE ROLE OF THE COMMUNICATIONS PORTFOLIO CONTINUES TO BE THE CREATION AND STEWARDSHIP OF THE CAPL'S AWARD-WINNING 28 PAGE PUBLICATION, *The Negotiator*, with ten monthly issues published from September through June (and also available electronically via the CAPL's website).**

Our strong volunteer team in 2005 was made up of the following individuals:

- **Feature Content**  
Cindy Cameron
- **Regular Content**  
Cathy Mageau
- **Social Content**  
Dave Boisjolie
- **Advertising**  
Clark Drader and Tom Lealos
- **Co-ordination**  
Heather Telasky, Ryan Hall and Tom Hunter

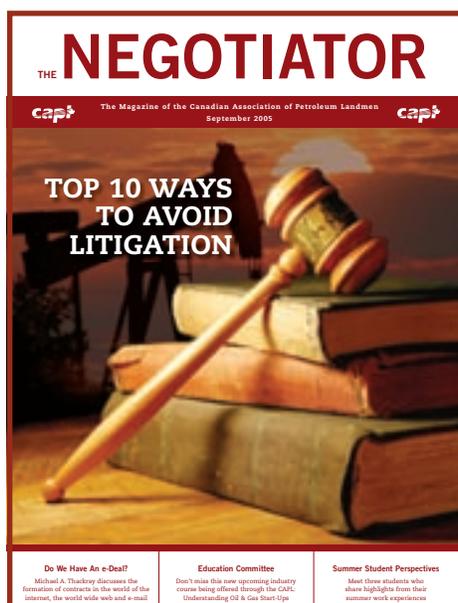
An additional fifteen or so volunteers worked under the direction of these leaders to create a professional and informative magazine each month, a challenging task accomplished in the face of fixed deadlines and busy schedules.

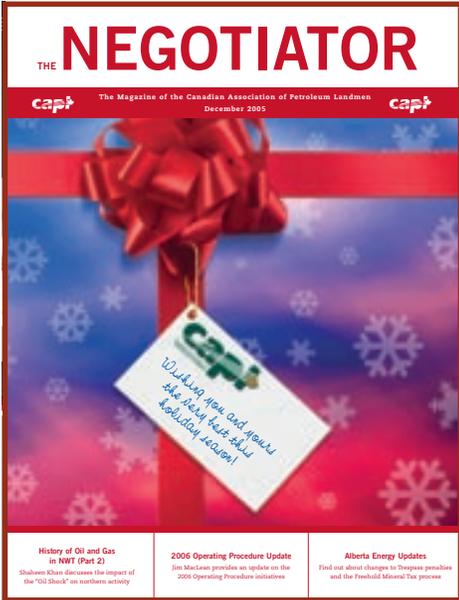
Commencing in September 2005, *The Negotiator* featured a fresh new look, based on an attractive layout designed by the talented Rachel Hershfield of Folio Publication Design after consultation with the senior editorial board. A further step forward in *The Negotiator's* appearance took place in the November issue with an increase in the number of color pages from eight to sixteen. Printing of *The Negotiator* in 2005 continued to be capably handled by McAra Printing, with a dependable monthly run of 1,800 copies.

As implied by the structure of the senior editorial board noted above, *The Negotiator* consists of regular content (Board Briefs, Message from the Executive, Roster Updates, Meeting



Notices, etc.), social content (information about previously held and forthcoming CAPL sponsored social events) and feature content. In 2005 we offered a wide variety of feature articles on topics as diverse as: Rights of First Refusal Value Allocation, Orphan Wells, History of Oil and Gas Activities in the Northwest Territories, 2006 Operating Procedure Update, Coalbed Methane, British Columbia Offshore Oil and Gas Moratorium and a two-part Kyoto Update to name just a small sampling. The feature articles are prepared on a volunteer basis and we continue to rely heavily on our local legal fraternity for a substantial portion thereof. Several feature articles were written by CAPL members, and an ongoing goal is to increase the amount of content prepared by and directly





applicable to the day-to-day work of our membership.

The *Negotiator* was fortunate again in 2005 to have a loyal group of advertisers who, by paying to inform our membership about their products and services, defrayed a substantial portion of the publication and distribution costs. The advertising portfolio was essentially “full” throughout the year, based on a maximum advertising content guideline of 30%.

The *Negotiator* supplies an invaluable service to the CAPL membership by providing timely and accurate information about the Association, together with feature content that enables members and readers to keep abreast of current industry, environmental and



regulatory developments. Perhaps just as important, the increasingly professional quality of this document communicates to our industry partners and the general public the professional standards that

landmen continually strive to achieve in our daily business endeavors.

☞ *Kenneth C. Gummo, P.Land  
Director, Communications*

# Education

## **THE EDUCATION COMMITTEE IS MANDATED WITH ENHANCING THE OVERALL PROFESSIONAL DEVELOPMENT OF CAPL MEMBERS THROUGH**

**EDUCATION.** With this mandate, the Committee is charged with providing useful information and services through which members can acquire new knowledge and skills that are important to their career development. Seminars play the greatest role in this effort.

### ***New Courses***

In 2005, the Education Committee initiated the review and planning for taking the CAPL surface courses 'on the road'. In early 2006, CAPL plans to offer select surface courses in Grand Prairie, Edmonton and Cold Lake. The logistics will involve finding appropriate venues and advertising the courses effectively to the surface land community.

### ***Marketing***

In the upcoming year, the Education Committee is planning to change some of the methods of advertising. The Committee plans to advertise more of the CAPL courses through various industry periodicals, with a goal to draw extra attention to the courses that are already in high demand. Other future marketing plans include direct mail

out to CAPL members. This friendly reminder has worked well in the past.

### ***Multi-Course Savings***

In 2005, the Education Committee announced a discount program for those students who take 3 or more courses in one year, or those companies that send 5 or more students to a single course. The savings is 25% per course subject to the rules as set out by the Education Committee.

### ***Calendar***

The Education Calendar is published annually in late spring; and for the upcoming year, will have a revised look.

### ***Website***

The Education Committee, throughout 2005, has worked with the CAPL Technology Committee to develop education-related information for the CAPL website.

### ***Olds College***

In 2005, the CAPL Board of Directors endorsed an Olds College initiative to raise money for a full-time Land Agent Industry Chair. The activities of the Industry Chair will be specifically focused in areas that promote the professional development of existing land agents and ensure the quality of training in Olds College's Land Agent diploma program.



### ***University of Calgary***

2005 saw the revival of the U of C Advisory Committee, which will give the CAPL a valuable opportunity to have input in the ongoing development of the U of C PLM Program.

### ***CEAMS***

Centre for Energy Asset Management. This project was begun by CAPLA some time ago to recognize the need for more asset managers such as contract analysts, land administrators, accountants and joint venture analysts to replace our aging work force, and to plan for the education required to provide a solid foundation in the oil and gas industry. In 2005, the CEAMS project evolved into an opportunity that the CAPL Board of Directors agreed to endorse.

*Bob Mosoronchon  
Director, Education*

# *Field Acquisition and Management (FAM)*

**AS THE DEMAND FOR ACCESS TO LAND HAS INCREASED, THE NEED TO EMPLOY EXPERIENCED AND KNOWLEDGEABLE FIELD LANDMEN, AND IN PARTICULAR, SURFACE LANDMEN HAS ALSO INCREASED.**

In 2005, the Field Acquisition and Management Committee (FAM) worked diligently to construct a precedent whereby the professionalism of surface landmen will have stringent requirements to gain entry into the CAPL as Certified Surface Landmen (CSL). The CSL guidelines will also incorporate a recertification process.

The CSL designation will carry with it a high degree of acceptance by the public and the peers within the CAPL and industry.

The accomplishments of the CAPL towards the institution of this new professional designation have been rewarding and well accepted by the CAPL members. It is hoped that this precedent will serve our members with a view to a higher level of professionalism and a positive profile within industry and the public.

The volunteer members of the FAM committee have worked tirelessly to pave the way for a higher level of professionalism in 2006. Their accomplishments in 2005 have been commendable.



*Terry O'Connor  
Director, Field Acquisition  
and Management*

# Finance

## **THE CANADIAN ASSOCIATION OF PETROLEUM LANDMEN CONTINUED TO HAVE A GOOD FINANCIAL PICTURE IN 2005, ECHOING 2004 BY HAVING AN OPERATING SURPLUS.**

The positive financial position of the Association is attributed to the CAPL office staff, directors, committees and volunteers who have contributed their time and unselfish dedication to the success of the CAPL and its healthy financial position. The cooperation of these groups have ensured that the association has run smoothly, while affording new growth and a full complement of services for all our members.

With regard to the audited financial statements, 2005 revenues were \$1,762,530.00 and expenses were \$1,680,344.00, which resulted in an Operating Surplus of \$82,186.00. This compares to 2004 revenues of \$1,749,893.00 and expenses of \$1,699,885.00, which resulted in an Operating Surplus of \$50,008.00.

The 2005 Operating Surplus can be primarily attributed to the 2005 Conference. The Conference had raised approximately 80% of their target revenues by July 1, 2005,

with 281 delegates registered. By the end of August 369 delegates, 26 Exhibitors and 254 guests were registered. This event, along with the CAPL Social events, is budgeted to break even annually. Due to the unexpected increase in delegates, the revenues for the Conference increased over budget in 2005. For the future, there are a number of initiatives being considered to eliminate these types of unexpected anomalies in the budget. In 2005, the CAPL Social events performed as expected with a small \$540.00 deficit. Credit is due to the volunteers who make these events fun and do so using innovative ways to keep revenue and expenses neutral.

The CAPL held a modified Prospect Exchange in 2005 with CSEG and \$19,000 in additional revenues were generated. The Education portfolio continued to do a great job offering courses pertinent to our members and other industry professionals. In 2005, Education brought in just over \$60,000 to the Association.

In late 2005, the CAPL approved a 2006 budget which forecasts a deficit of \$160,000. The CAPL will endeavour to finance the manpower required for the CAPL to join POARA (Professional and Occupational



Associations Registrations Act of Alberta). This initiative will involve the Professionalism, FAM and the Public Relations committees along with many of CAPL's members who have been working on this goal for the past three years. We believe that 2006 will be the year to have our members endorse this move and propel our organization forward with the benefits that a professional organization brings to its members.

*Cindy R. Rutherford, P. Land  
Treasurer*

# Member Services

## **IN 2005, THREE COMMITTEES CONTINUED THEIR VALUABLE WORK WITHIN THE MEMBER SERVICES PORTFOLIO.**

John Charuk chaired the Membership Committee in 2005 and was appropriately honoured with an Award of Merit for the valuable leadership he provided to the Committee for several years. The Membership Committee reviews applications for membership, ensuring applicant qualifications are in compliance with CAPL bylaws. The Committee diligently reviewed over 230 Active, Student and Associate membership applications in 2005. The total membership count as at year end was 1,480 Active, Associate, Senior, and Student Members.

Robin Thorsen provided tireless dedication as the Chair of the Roster Committee, working diligently in 2005 to provide a new hard copy Roster to members, with a fresh new look and format. The Committee provides regular updates to the publication throughout the year. It is a valued resource found open on the desk of many Landmen – and used in addition to the online Roster found on the CAPL website.

Dalton Dalik has continued to generously volunteer his photography services, providing members with the opportunity to update their photos for display in the hard copy and online

Roster. Members are encouraged to have their pictures taken when photo opportunities are offered throughout the year at various CAPL networking or meeting events. Photo opportunities are advertised in advance of the event at which they are offered.

Trevor Williams provided his insight and leadership as the Chair of the Merit Awards Committee in 2005. The Merit Awards Committee is concerned throughout the year with ensuring that the achievements of individual members and the contributions of companies to our Association are duly recognized at the Merit Awards and Elections general meeting, held annually in the spring. The Committee's task of selecting individuals and associated companies to receive awards each year is augmented by nominations received by the membership. Members are encouraged to consider and bring forward nominees throughout the year, as work continues on various CAPL and industry business. The 2005 Merit Awards were presented to the following recipients:

### **2005 Award Recipients:**

**Herb Hughes Award**

**Greg Strachan, P.Land**

**Individual Merit Awards**

**Elizabeth Burke-Gaffney, P.Land**

**John Charuk**

**Lawrence Fisher**



### **Friends of CAPL**

**Nadine Campbell**

**Randy Roeric**

**Joan Taylor**

**Bryan Walsh**

### **Distinguished Citizens Award**

**Grant Fagerheim**

**Bright Lights Award**

**Calynda Gabel**

### **Volunteers Support Award**

**Petrofund Energy Trust**

The CAPL has greatly benefited through the volunteers dedicated to working on the committees within the Member Services portfolio. The work of these volunteers has enabled ongoing benefits for the CAPL membership. The CAPL Board of Directors express their sincere appreciation for the dedication and work performed in 2005.

*Lenni Werner-Schmidt, P.Land  
Director, Member Services*

# Professionalism

## **RAISING THE STATURE AND PROFESSIONALISM OF ALL CAPL MEMBERS IS AND HAS BEEN THE FOCUS OF THE PROFESSIONALISM PORTFOLIO.**

The CAPL instituted the P.Land program as a voluntary means of enhancing the professionalism of individual members. Currently about 20% of our members have P.Land status. With our current focus on POARA (details below), the CAPL hopes to enhance the professionalism of all members of the association. During 2005, this portfolio has been active on a number of fronts:

### **1. Professionalism Procedure**

The Professionalism Procedure has been amended. One of the main thrusts of this amendment was to include a new category, P.Land (CSL – Certified Surface Landman). Members holding P.Land (CSL) status will have demonstrated their excellence in the field of surface land. Additionally, the requirements to take the P.Land exam have been relaxed to permit members meeting certain criteria to sit for the exam earlier than previously allowed. The CAPL website now contains information on the revised Professionalism Procedure in its entirety. It is CAPL's hope to attract many more members to apply for the P.Land and P. Land (CSL) designations in the coming years.

### **2. P.Land Exam Improvement**

The P.Land Exam was updated in 2004. The Professionalism Committee has been working and will continue to work to improve the updated exam. The updated exam consists of 120 questions designed to test overall understanding of the land profession, as opposed to testing memory. Arrangements to write the P.Land exam can be made by phoning the CAPL office.

### **3. Re-certification of P.Land Holders**

The Professionalism Committee has continued to handle recertification of existing P.Lands.

### **4. Ethics Committee**

In 2005, the CAPL sought and received legal counsel on the creation of an active Ethics Committee. The Professionalism portfolio is in the process of getting this committee firmly established and functional.

### **5. POARA Registration**

Over the past year, this portfolio has focused on the desirability of registering the CAPL as a professional organization under the Professional and Occupational Associations Registration Act ("POARA"). This issue is one of the most important present and upcoming issues before the CAPL. Key benefits



to registration under POARA include improved public perception, awareness and understanding of the role of a land professional. Registration would provide an effective means of managing CAPL's code of conduct and ethical standards which protect the public and ultimately our reputation as an association. Increased credibility among other professional and peer organizations would be another benefit. The POARA Feasibility Committee has developed a "road map" or business plan to implement such registration. Numerous issues have been deliberated, and members can look forward to more details in the upcoming year.

*Sue Kuethe, P.Land  
Director, Professionalism*

# Public Relations

**THE PUBLIC RELATIONS COMMITTEE IS RESPONSIBLE FOR PROMOTING THE CAPL AND THE LAND PROFESSION WITHIN INDUSTRY AND THE COMMUNITIES IN WHICH IT OPERATES.**

Our goal is to educate and create awareness of the role of the Landman and the contributions made by the 1500 members of our Association.

With this mandate in mind the Public Relations Committee has focused its efforts in two main areas, the first one being the public stakeholders and the second one being the promotion of our organization within our industry. During the last year we have been involved in a number of initiatives and have been recognized by the American Association of Professional Landmen (AAPL) for its efforts by awarding to the CAPL the "Best Community Services Award" at the 2005 Banff Conference in recognition of the Landman's Beef Benefit hosted and sponsored by the CAPL in 2004.

One of the new initiatives for 2005 was the sponsorship of the Reserve Champion for the Calgary Stampede Steer Classic. The PR



Committee become involved in the event, and forged a relationship with 4-H Foundation of Alberta, raising almost \$8,000.00 for the Foundation through a raffle of the Reserve Steer. The response from the rural community and businesses was extremely positive. The event was so successful that it has already been announced that the CAPL will be involved with the 2006 Calgary Stampede Steer Classic. Thanks



are extended to all of the members of the committee, the Board of Directors, Bruce Banks of the 4-H Foundation of Alberta and the many members that assisted with both the sale and purchase of the raffle tickets.

During the past 12 months the PR Committee has also been involved in a

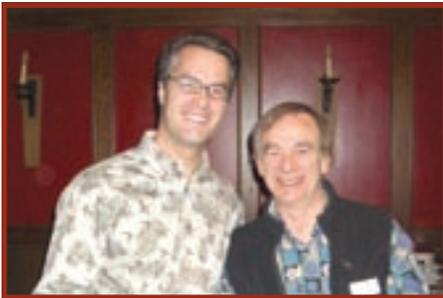




# Social

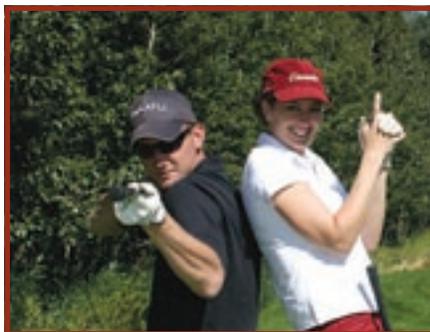
## 2005 WAS ANOTHER TREMENDOUSLY SUCCESSFUL YEAR FOR CAPL'S SOCIAL PORTFOLIO.

The 2005 Social Events, organized and implemented by a large volunteer base, were sponsored and supported by a host of generous member companies, related interest groups and service providers. Each of the Social Events of the past year was well-attended and apparently popular amongst the membership. The various Social Committees each strive to



deliver well-organized and balanced activities. Each Committee works within a break-even budget, and in 2005, they were successful in maintaining this mandate.

The many and varied CAPL Social Events – ranging from the Golf Tournament to the Trap Shoot (to mention only a few), have provided members and guests with an opportune way to mix, mingle and have some fun with fellow Landmen. New friends have been made and new skills acquired. The Social Events have been designed to appeal to a wide cross-section of interests and skills of CAPL members, and are under constant review. This past year, new events were added, and certain events dropped if the appeal and attendance no longer warranted the organization and work involved.



The Social Portfolio has been consistently open to new ideas and volunteers for venues and events. Input from CAPL's membership has been a constant source of improvements and fresh ideas. The Social Portfolio provides a value-added niche in the fabric of the land community and thanks to the many volunteers and sponsors who work with and for the various Social Event sub-committees, the CAPL has celebrated another successful "social" year.

*John Boone*  
*Director, Social*

# Technology

**THE TECHNOLOGY COMMITTEE IS PRIMARILY RESPONSIBLE FOR THE FRAMEWORK AND CONTENT OF THE CAPL WEBSITE, WWW.LANDMEN.CA;**

and in 2005, have done a commendable job of improving CAPL's efficiency through use of computers. Since the introduction of the on-line CAPL membership roster in 2004, a wide variety of improvements have been implemented, resulting in very good reviews from the CAPL membership. All members may now post their own photos and personal and corporate data, facilitating instant updates to their contact information. In addition, the



on-line roster was improved to permit members who consult or are employed for multiple companies, to enter up to three companies/clients. In 2005, the CAPL introduced a new feature – landmen may enter their discipline and the geographic areas they cover for their companies, enabling peer landmen to make contact with the right person the first time.

With technology comes the constant need to upgrade knowledge. The CAPL office staff should be commended for upgrading their computer skills and software knowledge, thus enabling the association to do more with the tools available.

A number of changes have been made to the CAPL website, and more are on the way. Some of the new features include a stock market lookup, current weather information, and Google search capacity, both within the CAPL website and on the worldwide web. New features have been added to the landman tools section of the website, including an oil and gas glossary and a dictionary of drilling terms. Plans are also in the works for the addition of an interactive restaurant locator. The CAPL website is becoming more and more of an



integral daily tool to CAPL's members; and as the website improves, so does the usage. Members have become increasingly depending on the website as an invaluable tool to complement and assist them in their daily functions.

The Technology Committee welcomes any ideas from the membership that would improve and increase the usefulness of the CAPL website, and have accordingly provided a vehicle for ideas which is accessible by clicking on the CAPL logo/suggestion box within the website.

*Scott R Nalder  
Director of Technology*

# 27th Annual CAPL Conference

ON SEPTEMBER 19, 2005, OVER 680 CAPL MEMBERS, GUESTS, EXHIBITORS AND INDUSTRY ASSOCIATES (THE MOST WELL ATTENDED CONFERENCE TO-DATE), GATHERED AT THE SITE OF ONE OF THE WORLDS MOST AWESOME WONDERS, NIAGARA FALLS, ONTARIO to attend the 27th Annual CAPL Conference and General Meeting held at the Sheraton on the Falls Hotel and Conference Centre. The theme was “Generating the Power to Succeed”, and the venue was most appropriate.

The Conference Committee set out with a mandate to make this Conference the best ever by building a dynamic program that offered a wide variety of options and opportunities providing today’s landmen with the tools, knowledge and insight to succeed in this evolving oil and gas industry.

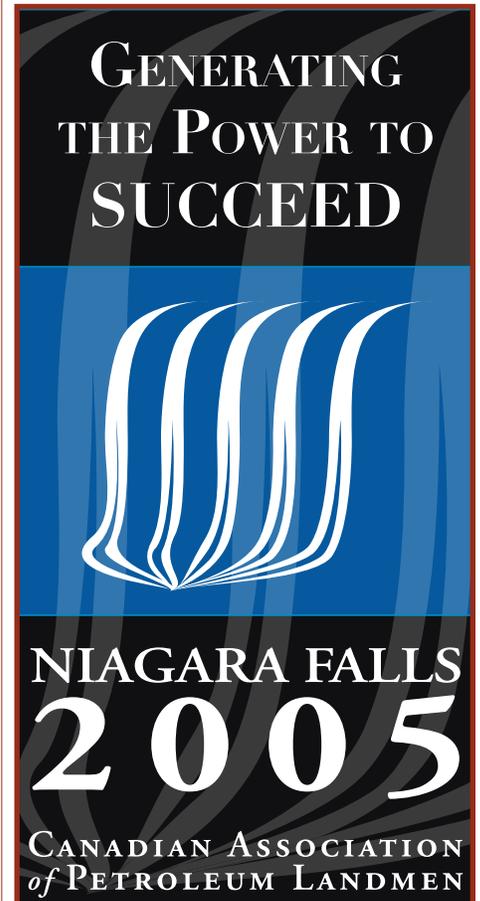
Our assembled all star lineup of guest speakers and presenters allowed the delegates and guests to learn from the experiences of the best in the business, both current industry professionals and past CAPL members, all who have gone forward to forge their own paths to success. Attendees received a glimpse from very insight-

ful individuals and were able to reflect on past trends and experiences. By examining those forces, delegates were enabled to reflect on and enact their own personal and professional successes.

Don Cherry and Ron MacLean from Hockey Night in Canada were greeted with a standing ovation as they regaled their captive audience with stories that made the attendees laugh and appreciate the fact that Canadians really do love hockey. Farley Flex of Canadian Idol fame provided us with some powerful insights into what drives each of us and what makes people tick—how people can use these insights to create a positive feeling and environment that everyone can use in their daily lives, whether at home or at work, and how we can make each day a success.

Our final speaker, Mr. Ron Joyce, the founder of Tim Horton’s, told delegates and guests of his success story and concluded with a most important message for all of us. “The road to success is always under construction!”

This most successful Conference would not have been possible without the dedication and commitment of the Conference Executive Committee comprised of Helen Klein, Lorne



Schaufert, Michele Beitel, David Horn, Dennis Eisner and Ron Vermeulen, and of course, the many committee volunteers and our truly outstanding CAPL office staff.

It was my honor and privilege to share in CAPL’s achievement.

*Greg Strachan, P.Land*  
2005 CAPL Conference Chairman

# CAPL Contributes to the 4-H Legacy Fund

**ONE OF THE MANDATES OF THE CAPL IS TO PURSUE AND STRENGTHEN POSITIVE INTERACTION WITHIN THE COMMUNITIES AND WITH THE STAKEHOLDERS WITH WHOM WE DEAL ON A DAILY BASIS.** Through our newly-created association with 4-H, the benefits have been far-reaching. The CAPL has not only assisted the development of our youth by providing funds for their personal growth, community awareness, and environmental responsibility. CAPL's association with the 4-H Foundation has enabled the CAPL to gain recognition as a focal point for providing information, education and Q&A to the rural community as we move towards the Surface Land Agents Certification program.

In December 2005, the CAPL was proud to present a cheque for \$8,000.00 to the 4-H Foundation of Alberta. Bruce Banks, Executive Director of the 4-H Foundation, accepted the donation on behalf of 4-H with many thanks to the CAPL Board of Directors and the Public Relations Committee for their dedication to the sale of nearly 800 raffle tickets in support of 4-H. The tickets were sold for 2 half sides of beef in conjunction with CAPL sponsorship of the Reserve Steer at the 2005 Calgary Stampede Steer Auction.

Bruce announced that the monies raised by CAPL will be channeled towards the 4-H Legacy Fund, whose beneficiaries include clubs, districts, regions, alumni, programs or events with initiatives such as funding for new club startups, new and unique programs, project workshops, capital

projects, club exchanges and leader development. The Legacy Fund was established as a nest-egg for the future. The interest accumulated within the Fund is made available annually for grants that will improve the quality of the 4-H program and provide opportunities for youth well into the future.

In 2006, the CAPL Public Relations Committee plans to continue the affirmative inroads with the 4-H Foundation that has been established through our sharing and support in 2005. The generous individual contributions of CAPL members, associates and member companies who helped to make the 2005 fundraiser a success should take pride in the fact that, as an association, our commitment to community will benefit all of us and our stakeholders as we move into the future.

# Financial Statements

December 31, 2005 and 2004

## Auditors' Report

To the Members of Canadian

Association of Petroleum Landmen

**WE HAVE AUDITED THE BALANCE SHEETS OF THE CANADIAN ASSOCIATION OF PETROLEUM LANDMEN AS AT DECEMBER 31, 2005 AND 2004** and the statements of revenues and expenditures, members' equity and cash flow for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as outlined in the following paragraph, we conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by manage-

ment, as well as evaluating the overall financial statement presentation.

In common with many non-profit organizations, the Association derived a significant portion of its income from receipts, which are not susceptible to complete audit verification. Accordingly, our verification of such receipts was limited to a comparison of recorded receipts with bank deposits.

In our opinion, except for the effect of such adjustments, if any, that might have resulted had the receipts referred to above been susceptible of complete audit verification, these financial statements present fairly, in all material respects, the financial position of the Canadian Association of Petroleum Landmen as at December 31, 2005 and 2004 and the results of its operations and its cash flow for the years then ended in accordance with Canadian generally accepted accounting principles.



Ramsey, Dalton & Co.

Calgary, Alberta

March 17, 2006

Chartered Accountants

# Balance Sheets

## Assets

### Current Assets

Cash, including US \$9,301 (2004 – US \$2,092)  
 Term deposits, including US \$27,678  
 (2004 – US \$27,050)  
 Accounts receivable  
 Inventory, at cost  
 Prepaid expenses

### Equipment - Note 3

## Liabilities and Members' Equity

### Current Liabilities

Accounts payable  
 Unearned revenue

### Members' Equity

	December 31, 2005	December 31, 2004
	\$ 85,332	\$ 210,556
	942,602	731,623
	53,551	40,632
	39,648	34,233
	49,303	55,261
	1,170,436	1,072,305
	47,801	53,391
	\$ 1,218,237	\$ 1,125,696
	\$ 7,070	\$ 44,914
	338,780	290,581
	345,850	335,495
	872,387	790,201
	\$ 1,218,237	\$ 1,125,696

## Approved on Behalf of the Association



Guy R. Anderson, P.Land

President



Cindy Rutherford, P.Land

Treasurer

See accompanying notes and schedules

# Statements of Revenues and Expenditures

	December 31, 2005	December 31, 2004
<b>Revenues</b>		
Annual meeting and conference	\$ 571,560	\$ 458,454
Membership dues	344,597	334,924
Education seminars	340,758	359,215
Social events	183,111	185,611
Meetings	68,016	68,520
Advertising	65,795	62,915
Sale of forms	57,751	56,447
Canadian Petroleum Prospect Exchange	46,397	–
Member services	35,755	17,420
Interest income	21,815	17,181
Public relations	12,100	177,053
Technology	12,100	10,000
Professionalism	1,950	800
Sale of forms, field services	825	1,353
	<b>1,762,530</b>	<b>1,749,893</b>
<b>Expenditures</b>		
Annual meeting and conference	466,296	440,431
Education seminars	279,116	306,717
Social events	183,651	188,014
Member services	182,323	132,100
Communications	162,247	128,762
Meetings	151,285	141,018
Executive	61,136	49,314
Cost of forms	46,953	51,248
Technology	41,176	23,074
Treasury	29,370	30,414
Canadian Petroleum Prospect Exchange	27,279	–
Field service	25,840	13,894
Professionalism	12,682	11,414
Amortization	10,990	11,984
Public relations	–	171,501
	<b>1,680,344</b>	<b>1,699,885</b>
Operating surplus	\$ 82,186	\$ 50,008

## Statements of Members' Equity

	December 31, 2005	December 31, 2004
Balance, beginning of year	\$ 790,201	\$ 740,193
Operating surplus for the year	82,186	50,008
Balance, end of year	<u>\$ 872,387</u>	<u>\$ 790,201</u>

## Statements of Cash Flow

### **Operating Activities**

	December 31, 2005	December 31, 2004
Operating surplus for year	\$ 82,186	\$ 50,008
Add non-cash item:		
Amortization	10,990	11,984
	<u>93,176</u>	<u>61,992</u>
Changes in non-cash working capital – Note 4	(2,020)	(33,916)
	<u>91,156</u>	<u>28,076</u>

### **Investing Activities**

Computer software	–	(3,000)
Computer equipment	(5,401)	(4,254)
Office equipment	–	(1,642)
	<u>(5,401)</u>	<u>(8,896)</u>
Increase in cash and term deposits	85,755	19,180
Cash And Term Deposits, beginning of year	942,179	922,999

### **Cash and Term Deposits, end of year**

#### **Cash**

#### **Term Deposits**

	<u>\$ 1,027,934</u>	<u>\$ 942,179</u>
	\$ 85,332	\$ 210,556
	942,602	731,623
	<u>\$ 1,027,934</u>	<u>\$ 942,179</u>

# Notes to Financial Statements

**December 31, 2005 and 2004**

## *Note 1 – Operations*

The Canadian Association of Petroleum Landmen (the “Association”) is a non-profit organization incorporated under The Societies Act of Alberta and is not subject to income tax. It is a professional organization for people involved in all aspects of petroleum land management. The organization is committed to enhancing all facets of the land profession through communication, education, professional development, technology and member services.

## *Note 2 – Accounting Policies*

The financial statements of the Association have been prepared by management in accordance with Canadian generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates and approximations, which have been made using careful judgement. The financial statements have, in management’s opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

- (a) **Revenue**  
Memberships, conference and social fees and donations are recorded when received. Education fees and advertising are recorded as the course is presented or the advertising published. Materials and services contributed by members are not included in the financial statements.
- (b) **Term deposits**  
Term deposits and treasury bills are recorded at cost which approximates market value.
- (c) **Inventory**  
Inventory consists of operating procedure manuals, surface leases, job classification handbooks, right-of-way agreements and other items for sale to members and others. Also included are bronze sculptures, prints, watches and pens purchased for distribution by various committees. Inventory is stated at cost, which is not in excess of net realizable value.
- (d) **Equipment**  
Equipment is recorded at cost. Equipment, computers and software are depreciated at 20% using the declining balance method.
- (e) **Unearned revenue**  
Registration fees, membership fees and deposits applicable to future periods are recorded as unearned revenue.
- (f) **Reclassifications**  
Certain prior year amounts in the financial statements and schedules have been reclassified to conform with the current year’s presentation.

*Note 3 – Equipment*

Office and computer equipment  
Computer software

December 31, 2005		
Cost	Accumulated Amortization	Net Book Value
\$ 95,511	\$ 54,290	\$ 41,221
15,315	8,735	6,580
<u>\$ 110,826</u>	<u>\$ 63,025</u>	<u>\$ 47,801</u>

Office and computer equipment  
Computer software

December 31, 2004		
Cost	Accumulated Amortization	Net Book Value
\$ 90,758	\$ 45,454	\$ 45,304
15,316	7,229	8,087
<u>\$ 106,074</u>	<u>\$ 52,683</u>	<u>\$ 53,391</u>

*Note 4 – Changes in Non-cash Working Capital*

Accounts receivable  
Inventory  
Prepaid expenses  
Accounts payable  
Unearned revenue

December 31, 2005	December 31, 2004
\$ (12,919)	\$ (31,848)
(5,415)	5,423
5,958	7,516
(37,843)	(10,042)
48,199	(4,965)
<u>\$ (2,020)</u>	<u>\$ (33,916)</u>

*Note 5 – Financial Instruments*

The fair values of the Company's financial assets and liabilities that are included in the balance sheet approximate their carrying value.

*Note 6 – Commitment*

The Association's premises are leased until July 2010 at an annual rental and operating costs of approximately \$85,000.

## Supplementary Asset and Liability Information

	December 31, 2005	December 31, 2004
<b>Term Deposits and Treasury Bills</b>		
Canadian Imperial Bank of Commerce 2,768 units of CIBC U.S. Dollar Money Market Fund \$27,678 (2004 – \$27,050)	\$ 32,332	\$ 32,414
Canadian Imperial Bank of Commerce 91,027 units of CIBC Premium Canadian T-Bill Fund (2004 – 69,921 units)	910,270	699,209
	\$ 942,602	\$ 731,623
<b>Accounts Receivable</b>		
Stationery sales, conference and education Receiver General GST, net	\$ 47,172 6,379	\$ 31,913 8,719
	\$ 53,551	\$ 40,632
<b>Inventory</b>		
Items for sale to members and others: Operating procedures, leases, property transfers and assignment procedure manuals Bronze sculptures, prints and pens	\$ 16,878 22,770	\$ 11,926 23,307
	\$ 39,648	\$ 35,233
<b>Prepaid Expenses</b>		
Office rent Advances to the conference committee Prepaid liability insurance Social events Management meeting Calendars	\$ 7,260 30,323 470 500 750 10,000	\$ 5,725 13,659 470 8,723 – 26,684
	\$ 49,303	\$ 55,261

***Unearned Revenue***

Membership dues  
Education seminars  
Mentoring donations  
Scholarships  
Wall calendars  
Advertising

December 31, 2005	December 31, 2004
\$ 282,016	\$ 239,100
21,064	16,815
–	4,500
14,446	6,666
12,234	12,500
9,020	11,000
<b>\$ 338,780</b>	<b>\$ 290,581</b>

## *Annual Meeting and Conference*

***Revenues***

Registration  
Activities  
Donations, advertising and sponsorships

December 31, 2005	December 31, 2004
\$ 282,834	\$ 228,031
141,810	100,448
146,916	129,975
<b>571,560</b>	<b>458,454</b>
322,405	248,120
75,031	64,052
68,860	128,259
<b>466,296</b>	<b>440,431</b>
<b>\$ 105,264</b>	<b>\$ 18,023</b>

***Expenditures***

Activities  
Program  
Administration  
  
Net revenue



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