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Indian Oil and Gas Canada Annual Report

2003 - 2004

Canada

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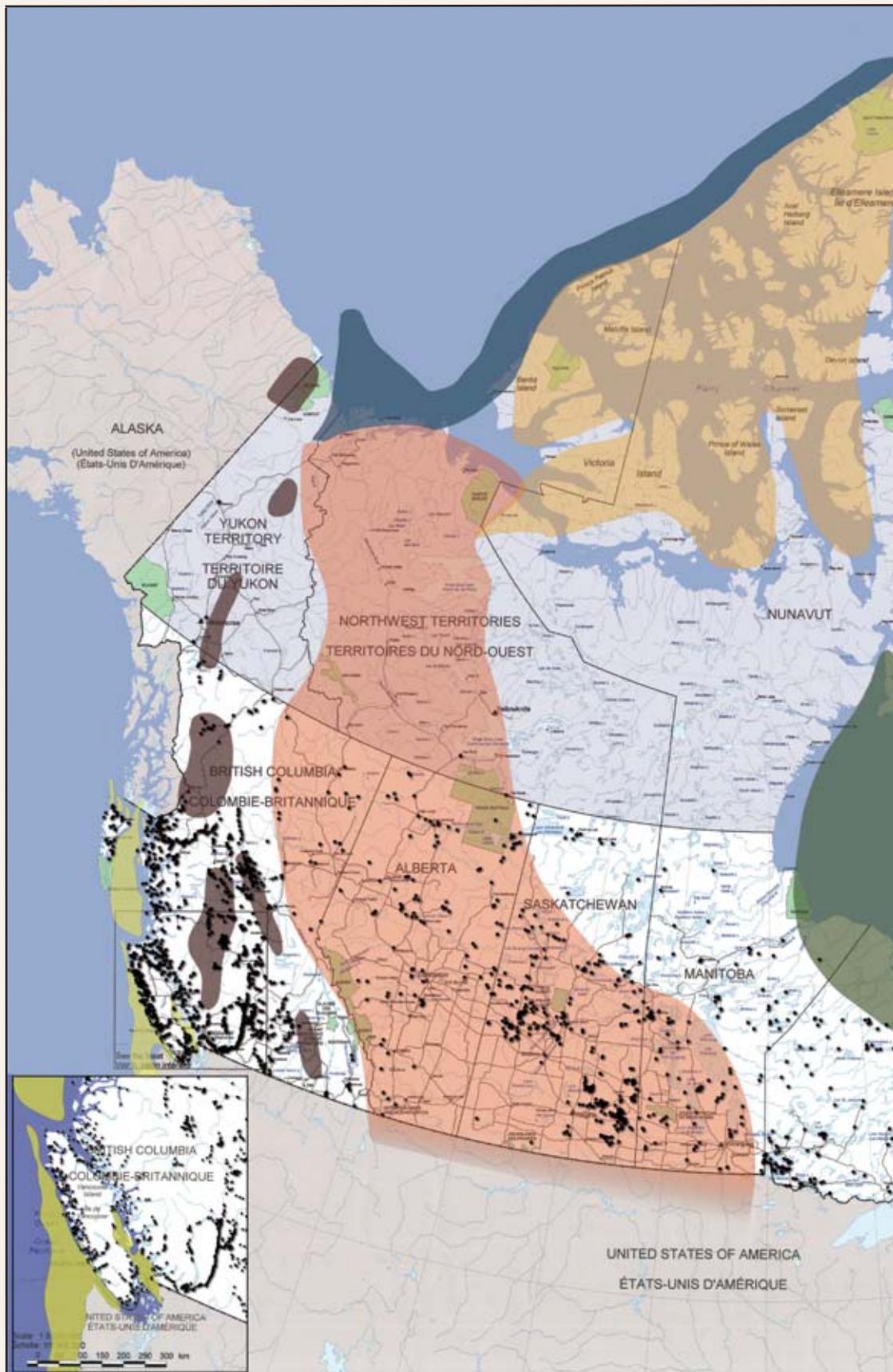
ANNUAL REPORT

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Indian oil and gas canada

2003-2004 was a year of many beginnings and endings for all of us at Indian Oil and Gas Canada (IOGC). We bid farewell to some long-standing and valued employees and welcomed some new staff into IOGC. We tackled some new projects which proved to be very complex and challenging to us. In response, we have had to rearrange priorities when required and work toward new ways of doing business. We are being challenged to look at our work realistically and critically, to be flexible and adaptive, to develop team working skills and to present information in different ways than we have done in the past.

IOGC has continued to experience a high level of activity in response to both First Nations and industry desires to lease lands and drill wells. More details of these activities are quantified in the annual report.

Our organization has also taken on the challenge of developing an interest subsystem to incorporate the provisions of the *Financial Administration Act* dealing with the receipt of late payments. At the same time, and in some ways supportive of this activity, the Royalty group have initiated a review of their receipt and verification processes. These projects are expected to be completed in the 2005-2006 fiscal year. Indian Oil and Gas Canada continues to work with the Indian Resource Council in completing a proposal for legislative and regulatory change.

Of particular note in 2003-2004, was the progress made with the First Nations involved in the pilot project. The Blood, Siksika and White Bear First Nations are all nearing completion of their path to 2005, when it is anticipated that opt-in legislation will be put into place providing them with the means to take over full management and control of their oil and gas resources if they so desire. The pilot project has been a major priority for this organization. To see this project come to fruition is a long awaited achievement, not only for First Nations, but for all of us at IOGC as well. We are now also working to think ahead to new First Nations who may wish to opt in at a later date with a recognition that new First Nations will need to develop a governance structure that may mirror what existing Pilot First Nations have developed.

In many ways, our organization is in a period of transition. But as always, we are committed to assisting First Nations in developing their petroleum resources and look forward to the challenges that the coming year will bring.

Bill Currie
A/Chief Executive Officer and Executive Director





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IOGC corporate profile



Chief Joseph Big Plume Building
Tsuu T'ina (Sarcee) Reserve

The federal government has a broad mandate relating to Indian and Inuit Affairs and Northern Affairs which is derived largely from existing legislation and legal obligations arising from section 91(24) of the Constitution Act, 1867. The Department of Indian Affairs and Northern Development is entrusted with fulfilling various legal obligations of the federal government to Aboriginal peoples as outlined in Treaties, the Indian Act and other legislation. Included in this obligation is the management of natural resources on Indian lands, including oil and gas.

Oil and gas development on First Nation reserve lands has been regulated since 1916 under the Indian Act. In 1974, due to the sharp increase in oil and gas activities on First Nation lands, the Indian Oil and Gas Act was passed, followed in 1977 by the Indian Oil and Gas Regulations. In 1987, Indian Oil and Gas Canada was established, replacing Indian Minerals West, as a dedicated branch within the Department of Indian Affairs and Northern Development to manage oil and gas development and to further First Nation initiatives to manage and control their resources. In 1993 Indian Oil and Gas Canada was affirmed as a Special Operating Agency to maximize its flexibility and responsiveness to both industry and First Nation needs.



IOGC co-management board

Indian Oil and Gas Canada (IOGC) operates under the direction of a Chief Executive Officer/Executive Director who participates as a member of the nine-member Board of Directors. The Board was established in 1996 by the signing of a Memorandum of Understanding (MOU) between the Minister of Indian Affairs and the Indian Resource Council (IRC). The MOU established a Board of Directors to co-manage IOGC operations, focusing on areas of collective interest, such as IOGC issues, policies, plans, priorities and resources. The Board also plays an important role in developing a vision to describe how the system for oil and gas management will function when First Nations assume control. The longer term vision calls for First Nations to assume eventual direction and control of IOGC. Six of the nine Board members are selected by the IRC and three by the Crown.

At the end of the fiscal year, the IOGC Co-Management Board was comprised of the following members:

Chief Ernest Wesley,
Stoney First Nation (Co-Chairman)

Mr. Warren Johnson,
Assistant Deputy Minister, Lands and Trust Services,
Department of Indian Affairs and Northern
Development (Co-Chairman)

Mr. Bernard Shepherd,
White Bear First Nation

Councillor Ben Ground,
Enoch First Nation

Councillor Errnol Gray,
Aamjiwnaang First Nation

Chief Bernie Meneen,
Tallcree First Nation

Mr. S. Robert Blair,
Chairman Emeritus, Nova Corporation

Mr. Bill Currie,
A/CEO and Executive Director, Indian Oil and Gas
Canada

Ms. Judy Maas,
Treaty 8 Tribal Association



Ernest Wesley



Warren Johnson



Bernard Shepherd



Ben Ground



Errnol Gray



Bernie Meneen



S. Robert Blair



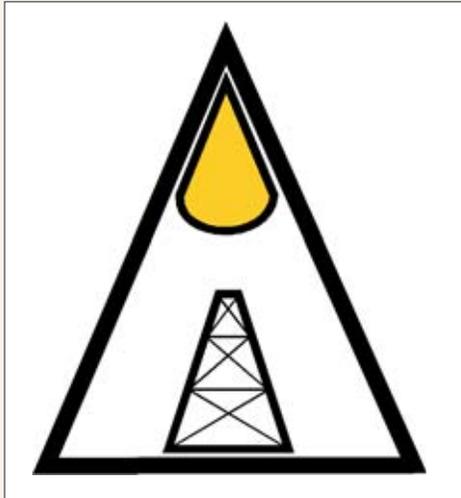
Bill Currie



Judy Maas



indian resource council of canada (irc)



Established in 1987 as a stand-alone, First Nations owned and operated agency, the Indian Resource Council (IRC) acts as a representative voice for over 120 First Nations with oil and gas interests. Indian Oil and Gas Canada has had a positive and productive partnership with the IRC which both have worked to build. Six of the nine board members of IOGC are chosen by the IRC including the Co-Chairman.

The IRC serves their First Nation members by:

Complementing the interests and activities of individual First Nations with respect to energy initiatives, including employment opportunities

Developing and implementing employment and training programs

Supporting member First Nations in their efforts to attain full management and control of their oil and gas resources

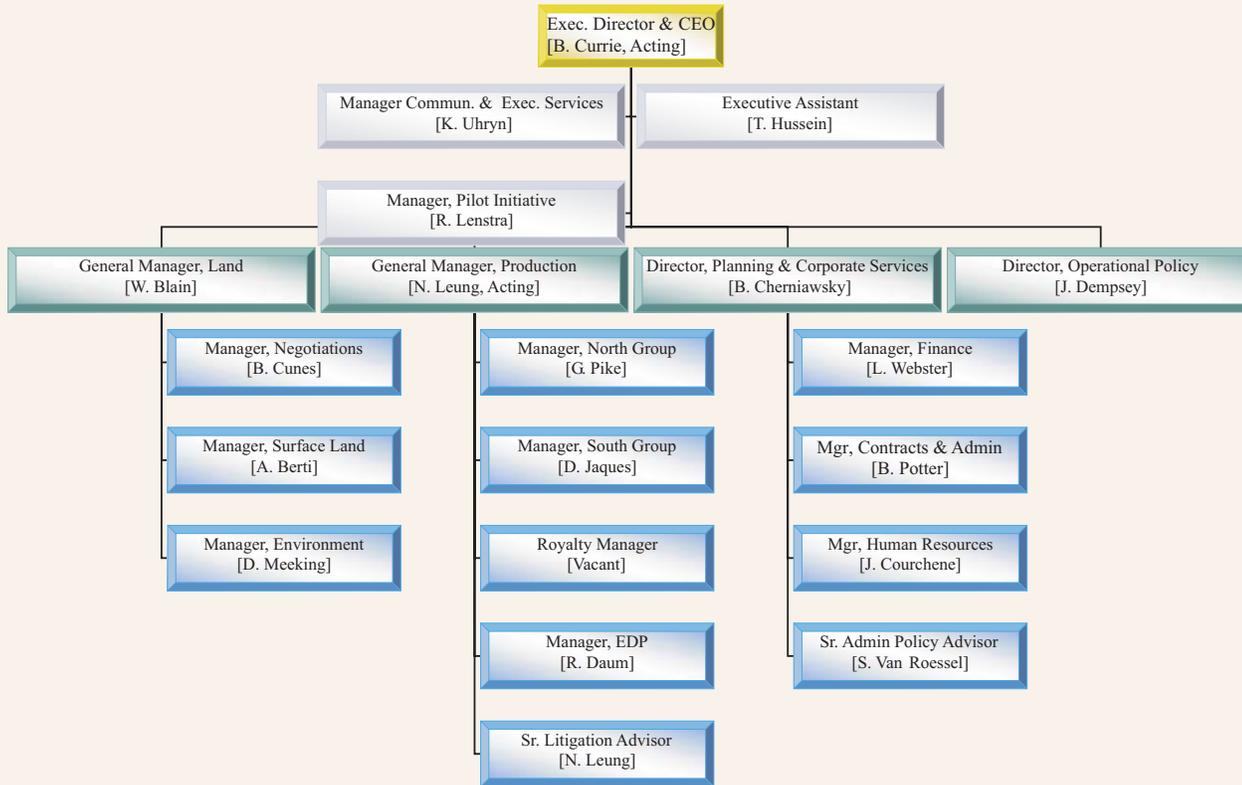
Coordinating the promotion of initiatives with government, industry and other groups

The IRC serves both as a catalyst and an assistance provider for First Nations governments, business entities and individuals hoping to take advantage of business and employment opportunities associated with oil and gas development. The organization assesses the development potential of initiatives such as power and co-generated development and the use of natural gas as the feedstock in the production of electricity. With the deregulation of the Alberta energy industry and high natural gas prices, there is an opportunity for First Nations, many of which have good wells. Further to this, the IRC promotes the development of downstream, value-added oil and gas activities such as power development.

To these ends, the IRC is involved in the development and implementation of employment and training programs and the creation of alliances between First Nations and the oil and gas sector. It also supports First Nations in their efforts to attain full management and control of their resources and coordinates the promotion of initiatives with government, industry and other groups.

The IRC is headed by a President/CEO, Mr. Roy Fox (retired Chief of the Blood Tribe) reporting to a Board of Directors. The IRC Board consists of 15 First Nation elected leaders from Alberta, British Columbia, Ontario, Saskatchewan, and New Brunswick. The Chairperson of the IRC during the fiscal year was Ernest Wesley of Stoney First Nation.

IOGC organizational chart



Statutory Authorities

IOGC operates in accordance with provisions of the:

Indian Oil and Gas Act
Indian Oil and Gas Regulations, 1995

IOGC also enforces associated federal legislation including provisions of the:

Indian Act
Other relevant legislation





IOGC mandate, mission, vision and values

Mandate

The mandate of IOGC is to fulfill the Crown's fiduciary and statutory obligations related to the management of oil and gas resources on First Nations lands and to further First Nation initiatives to manage and control their oil and gas resources.

Mission

Our mission is to work together with First Nations to manage their oil and gas resources.

Vision

To develop a corporate culture that is innovative, proactive and progressive where employees are empowered and accountable

To be fair and consistent in the application of policies and procedures

To actively seek to understand First Nations cultures, goals and aspirations

To be open and to share knowledge and information that promotes informed decision-making

To strive for excellence in services provided

To work with the First Nations and actively promote their objective of achieving full management and control

To work in partnership with the IOGC Co-Management Board to develop options to achieve full First Nation management and control

Values

Integrity

I will be honest

I will be ethical and act above reproach

I will be thorough and forthright

Respect

I will be considerate, empathetic and open-minded

I will value the opinions of others and strive to understand through active listening

I will appreciate diversity

Shared Leadership/Teamwork

We will work as a strong, cohesive team

I will seek input from my partners to work with them towards a common goal

Positive Attitude

I will approach changes and challenges with optimism

I will embrace each day with a positive frame of mind

I will participate in a positive manner



pilot project results in long-term rewards

By Raymond Lawrence

By as early as spring 2005, the three First Nations who are currently participating in a lengthy pilot project could enjoy a significant and long-awaited achievement, the full management of their on-reserve oil and gas resources.

For the Blood, Siksika, and White Bear Nations, a decade of concerted efforts will lead to the creation of a new management regime, one that they specifically designed for themselves but with all First Nations who have oil and gas resources in mind.

The pilot project, which was carried out with the full participation and support of Indian Oil and Gas Canada (IOGC), essentially creates a template that other First Nations will be able to use if they so desire. Among other things, that template will include new opt-in legislation that allows for the creation of a legal regime should a First Nation wish to take over full management of its petroleum resources.

step. With passage of the proposed opt-in legislation, members of participating First Nations will have the opportunity to opt in to the legislation, giving them legal authority to take over all work that was previously carried out by IOGC.

The legislation was designed to turn out maximum benefits to First Nations. In the past, while the participating First Nations received royalty payments, they felt they were not benefitting from enough of the value-added opportunities including employment, contracting opportunities and other spinoffs.

The proposed legislation makes it possible for First Nations to take greater control of their own affairs; however, much of the success of the pilot project lies within the depth and scope of its capacity building.

Performance in Capacity Building

The capacity building advanced primarily on three fronts: in-class studies, practical application of the material learned in class, and what could effectively be called job shadowing with IOGC mentors. The end result is that each of the First Nations now has the necessary practical skills and experience to carry out the day-to-day resource management functions. They are also familiar with the theory that governs the regulations and practical operations. The entire process was divided into co-management and enhanced co-management phases



during which participants took on increasing responsibilities. The participating First Nations worked with Indian Oil and Gas Canada and the Southern Alberta Institute of Technology (SAIT) to develop a training program that would help First Nation members understand the provincial management regime and rule sets surrounding the activities and functions that First Nations would be taking over. “The courses were good because they were tailored to our needs, plus the way they were structured worked well because you learned in class for two weeks and then you returned to do that work in the office so that what you learned was immediately applicable,” says David Shade, General Manager of Kainaiwa Resources Inc. He joined as a trainee with the Blood Tribe at the outset of the project.

Continued on page 8

“The courses were good because they were tailored to our needs plus the way they were structured worked well ...”

David Shade

In 2005, if all goes as planned, three pilot project participants will ring in a new era of resource management. This is no small





Building a New Regime

Like Rome, the new resource management regime wasn't built in a day. It is the result of a long-term vision, hard work, and attention to detail. As a result of that, when each First Nation community supports the move to opt-in to the legislation via a referendum, the three pilot project First Nations will be able to

“The capacity-building is really make-or-break because if you can't do the work there's no point in opting in.”

“In the initial capacity building stage you first have to understand the whole picture and the jargon, then once you catch that the capacity building becomes a lot easier,” says Bruce Standingready, Pilot Project Manager at White Bear First Nation.

“It's not an infinite resource that we have but what the new legislation will allow us to do is promote our own band companies ...”

Emil Owl Child

“The same is true for the regulations because you have to understand the big picture to make sense of it. In the end it really helped because you come to understand why they want things done in a certain way.”

confidently enter a new era.

That proposed legislation is optional but in the future if other First Nations want to take greater control over their oil and gas activity, a template will have already been made. “This will create an available, legal regime that First Nations can use to build capacity in the future years,” says Emil Owl Child, Lands Surface Area Manager for the Siksika Nation.

“There is a part to this that makes it easier for First Nations to access the revenue monies that are held in trust for them. If they want, they will be able to place it in a bank or in trust in order to provide seed capital to sustain long-term business ventures and reduce their unemployment rate on their land.”

“In the past, the viable spinoff capabilities were lacking,” says Owl Child. “Hopefully this legislative vehicle we're creating will allow a First Nation to control its assets and step onto a level playing field on their lands because as it stands it's pretty much one-sided. The industry comes in and provides itself with what it needs and it doesn't bother to look at the tribe for the supplies

and services required.” Industry of late, he notes, has been more responsive to the needs of the First Nations in this respect. In the future, First Nations will be able to manage all facets of their oil and gas activities if they choose to opt in under the legislation.

Vision of Value Added Opportunities

Driven in part by missed opportunities, the Pilot First Nations wanted to be certain that in the future they would benefit more fully from the oil and gas industry. Certain value-added facets of the industry were never designed into

“If other First Nations can get into the pilot first and learn all about it and see all the advantages that a First Nation might have, it would be great for them.”

Bruce Standingready

legislation and therefore did not form the fabric of the existing resource management regime.

But to reap the fullest benefits of the industry, value-added aspects have been built into this legislation. Because efforts focussed on developing a new, more effective regime while transferring knowledge into the First Nations, the pilot project participants feel they are in a more strategic position.

“Our expectation was not only to get the revenues but to also benefit from the knowledge, capabilities,

opportunities, and the prosperity that went along with the resource,” says Owl Child. “So a group of First Nations got together and sought to convince the federal government to change its rules so they would be able to enter into the overall management because the existing rules had limitations.”

“The First Nations agreed they had common requirements and they had reached a point at home where they saw a need for change and they felt comfortable enough to share ideas,” he says. “The product they wanted was something comprehensive enough to meet a good amount of the common First Nation requirements from across the land and that other First Nations could choose to use.”

“It’s not an infinite resource that we have but what the new legislation will allow us to do is promote our own band companies to a level where they can become prosperous,” says Owl Child. “Given that opportunity, many of our people may diversify their own careers into the opportunities coming out of this but there will always be a requirement to regulate.”

Built in Checks and Balances

A key component of the new management regime is the system of checks and balances upon which it operates. Those same checks and balances will ensure that the foundations on which the First Nations will operate are solid.

Throughout the pilot project there have been regular internal and external evaluations conducted. “In the pilot everything is accounted for. Even when you process royalties every cent is accounted for and not only for the

First Nation but for the companies who are paying royalties,” says Bruce Standingready.

“I think the accountability that is built into the pilot is just really good for a First Nation. The level of professionalism that comes with this project raises the bar a little higher plus, in the end, you also have to be accountable for the environment.” In order to advance to the next step of the project, these evaluations must be successfully completed. “It’s a nice exercise and it makes you wonder why we don’t do evaluations like that all the time,” says Bruce Standingready.

“There is a part to this that makes it easier for First Nations to access the revenue monies that are held in trust for them...”

Emil Owl Child

“Even after the pilot project we’ll be doing that but say if our First Nation was to take all of the programs and run them through the evaluation process used in the pilot project, in the end it would be clear which way of doing things is best for the band.”

In the pilot project, First Nations are evaluated internally by IOGC, and then also on an external basis.



“In that case someone who is unbiased comes in and evaluates both yourself and IOGC which just puts the standard up higher so that it’s not out of reach but it’s where I think First Nations should have been at already,” says Standingready.

“For First Nations who have a large area or a lot of production, if they can get into the pilot project before oil and gas development takes off on their reserves, I think they can benefit greatly. If other First Nations can get into the pilot first and learn all about it and see all the advantages that a First Nation might have, it would be great for them,” says Standingready. He also notes that the pilot project office at White Bear has been able to provide direction and support to other areas of First Nation business. “The information that this office gathers for the rest of the reserve outside of what we’re here for is just incredible. We touch on everything from roads, to lands

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and environmental issues around construction, and revenues from all aspects of the community.”

Opening the Way for Opportunities

If the participating First Nations expected to see increased opportunities at the end of the pilot project, they got more than they bargained for as new opportunities are already presenting themselves.

“It’s a dynamic, moving and shaking industry,” says Owl Child. “It’s exciting and, yes, there are challenges but our people are not afraid to meet the challenge.”

“What we were concerned about is being completely dependent on outside companies to come in and provide a revenue base for us based on what they were doing,” he says. “There was no concerted effort to transfer knowledge of the industry to our membership or to encourage and promote the spin-off opportunities into the tribes. The rules did not provide a clear mandate to the federal government as the manager of that asset to promote that. It is

already apparent that the project is opening the playing field to a variety of careers.

As expected, people have been needed in the areas of environment and administration. “But they’re also needed on capital construction and on new housing projects and waterline projects,” says Bruce Standingready.

“I think the accountability that is built into the pilot is just really good for a First Nation.”

Bruce Standingready

“The environmental people can be taking on a lot of work and the same is true for the people in accounting so the spin-offs are evident.” Standingready says that the pride that comes with taking control of First Nations resources through the pilot project is among the most significant benefits to date.

“Our chief and council has given us a mandate to increase revenues, increase employment and contractual opportunities for our members while at the same time ensuring cultural and archeological sensitive areas are not infringed upon,” says Shade. “At the same time we must ensure that the highest environmental standards are maintained.”

It sounds like a difficult challenge but the results have been nothing short of exceptional. “Before this pilot project started we had five producing wells and we were bringing in revenues far less than a million. Now, our revenues are closer to \$7 million, we have more than 100 producing wells and our employment numbers have just skyrocketed from about a dozen jobs to 395 in 2003-2004,” he says. “That has everything to do with us being able to attract companies to come and explore. Before going into the enhanced co-management we didn’t have as much direct involvement as we do now.”

“Our success story would have to include the revenue, employment, the opportunities for our young people to pursue careers that weren’t there before, and the involvement of our elders who are driven through an area before seismic work begins in case it is culturally or archeologically sensitive,” says Shade.

coal bed methane- an emerging opportunity in western canada

By Raymond Lawrence

Coal bed methane may be what could be called the 'new kid on the block' in terms of the oil and gas industry in Alberta but it has caught the eye of some of the big names and is fast becoming the talk of the town.

To date, there has been a number of coal bed methane tests on First Nation reserves. However, coal bed methane currently stands somewhere near the peripheral, still a relative unknown.

Coal bed methane is sweet natural gas similar to the fuel currently firing hydro-electric plants in California and heating homes across Canada. Coal bed methane does not contain the hydrogen sulphide gas found in sour natural gas. In fact, some coal bed methane has come from the ground pipeline-ready, requiring minimal processing. In spite of this plus on its side, there are some concerns.

For one thing, tapping into coal bed methane may require a higher concentration of wells than is required when drilling for oil or natural gas from conventional reservoirs. It has been estimated that in order to effectively drain natural gas from coal, higher well densities will likely be required: perhaps 2 to 8 wells per square mile. Intensive, long term development tends to exacerbate a variety of land use issues. For farmers, landowners, and for people who may have traditional land use issues, this means more wells to contend with and quite possibly loss of farmable space, unlike oil, natural gas including coal bed methane does not have to be pumped from the ground.



Louis Bull 2-23-45-25W4 Coal Bed Methane Wellsite
Well is drilled and on production. The picture above shows the facilities on site: wellhead, meter building and trailer-mounted compressor.. *Photos courtesy of Burlington Resources Canada*

The cleats or micro-pores in coal deposits are the key to extracting coal bed methane, serving as a loose network of conduits and reservoirs that allow gas to move freely once a well is drilled and pressure is released. By drilling into a coal deposit and releasing pressure, the coal bed methane escapes in the same way as gas escapes from a soda bottle when the cap is popped.

Changing technology and attractive gas prices will be major factors in creating a boom in coal bed methane production. One part of the exploration has already been done. In the past, coal deposits were located while companies drilled for oil and conventional natural gas and records mapping out these coals are readily available.

The difference between coal bed methane finds in the United States and Alberta is that in Alberta, the coals from which most coal bed

methane has been produced so far have not produced significant amounts of water. That means the gas escapes without first having to pump huge quantities of water to the surface. In Alberta, if water has to be pumped to the surface in order to access the coal bed methane, it either has to be pumped back underground or hauled away to a specified, appropriate location.

It is reasonable to assume that demand for coal bed methane will increase over time, particularly as other resources run low and as technology continues to make drilling for it feasible. It is still an emerging opportunity but the zones that span much of Alberta and the data accumulated from the many oil and conventional gas wells drilled over the years across the province will generate some excitement.

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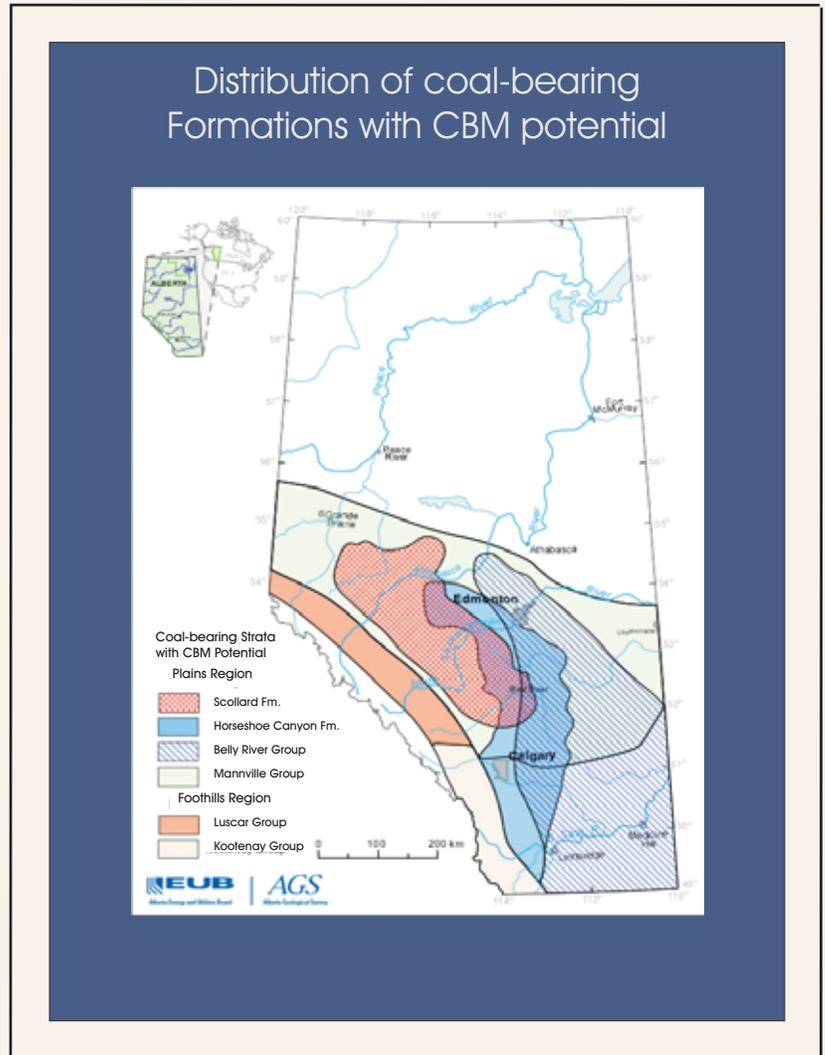




Deposits of coal lie distributed across the southern plains of Alberta, stretching out beneath the foothills and Rocky Mountains. Organic matter from prehistoric peatmoss swamps became buried beneath countless layers of sediment resulting in increasing pressure bearing down on that decayed matter and a subsequent increase in heat. Over millions of years that organic matter became coal in which methane was trapped. The shifting of the plates resulted in sections of the coal being torn away forming the distribution of coal that we know today.

The Alberta Energy and Utilities Board estimates that 91 billion tonnes of coal lies at a depth suitable for mining while a whopping two trillion tonnes of coal lies at a depth suitable for coal bed methane production. All told, the Board estimates there are 14 trillion cubic metres of coal bed methane within the province. However, much of that may not be economically feasible to recover. Canada's first commercial coal bed methane project was announced in early 2003 when gas was extracted from Horseshoe Canyon coals in southern Alberta. The Ardley Coal Zone has been the focus of some explorative work. Also, the Lower Cretaceous Mannville Group and Kootenay coal deposits have so far yielded some of the most promising concentrations of gas. Horseshoe Canyon coals, on the other hand, offer favourable cleat or micro-pore conditions for extracting the natural gas from the coal, and have been found to produce gas without water in many areas of southern Alberta.

Coal bed methane offers favourable potential to many First Nations. For one, in all likelihood



there will be a considerable amount of future work done on First Nation reserves which will generate bonus and royalty dollars. It also means there will be jobs and other opportunities created. Based on where the coal deposits are the most promising as a source of coal bed methane, that work may be close to home for many First Nations people. That will also undoubtedly result in substantial spin-off opportunities.

As the potential benefits of coal bed methane are realized within the oil and gas industry, so too will these benefits be felt within

First Nation communities. If natural gas prices climb and as the technique for extraction continues to be sharpened, economic opportunities presented by coal bed methane for First Nations people will become more plentiful. Essentially, it could be said that coal bed methane, the oil and gas industry's new kid on the block, will find himself surrounded by a lot of new friends.

industry helps seven lakes oilfield service grow

By Raymond Lawrence

When people say that opportunity knocks, it may perhaps seem that it usually knocks elsewhere. But when it does happen to knock, being prepared may be the difference between seizing that opportunity and watching it slip away.

The First Nations who own Seven Lakes Oilfield Services were not merely at the right place at the right time. They knew the opportunity was there and were ready for it and as a result, Pimee Well Services Ltd. and Primco Dene Catering Inc. were able to create a joint venture that answered the call.

“It started out very small but now Seven Lakes owns half a million dollars worth of scaffolding equipment...”

Tim Schultz

Founded in 2002, Seven Lakes Oilfield Services is owned by Beaver Lake Cree Nation, Frog Lake, Heart Lake, Kehewin Cree Nation, Saddle Lake and Whitefish Lake who jointly own Pimee Well Services, and Cold Lake First Nation, the sole owner of Primco Dene Catering.

“More and more oil companies are seeking out Aboriginal providers because it makes sense. Imperial Oil had done some work



with us at Pimee and wanted to increase First Nation involvement in the oil patch,” says Tim Schultz, General Manager of Pimee Well Services. Because of their oilfield experience, Pimee currently oversees Seven Lakes Oilfield Service operations.

Seven Lakes started out by providing waste disposal services but by 2003 they broadened their service base to include scaffolding and a service rig following the purchase of \$1.5 million worth of used equipment. “It started out very small but now Seven Lakes owns half a million dollars worth of scaffolding equipment, we own a service rig, and we own 20 20-yard industrial bins, 60 smaller, front-load bins and two garbage trucks,” he says. In the near future they want to upgrade and add to their waste management equipment but before they can do that they still need to grab a larger piece of the business. That puts them in

competition against nationwide companies. Rather than trying to go head-to-head against a long-established company who could muscle them out, they are developing more prudently.

“The other skill enhancement going on is with the rig crews who will be training to become rig managers.”

Tim Schultz

“We’re currently in negotiations right now with another company for a joint venture project. There are clearly benefits to doing business with people who have been in business so a joint venture or partnership is the way to go,” says Schultz.

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Being a fledgling company, partnering with an experienced firm not only puts more capital, equipment and market share at their disposal, it also results in a transfer of experience.

Another area where they lacked experience but were able to negotiate an arrangement that would result in the transfer of skills is in the scaffolding business which, once enough hours are logged, will result in a number of First Nations people getting their journeyman papers. When Seven Lakes Oilfield Services purchased scaffolding, they struck a deal with the company who sold them the equipment that resulted in the training of their people. “Flint Energy Services was instrumental right from the start in training our people but Quinn Contracting has since taken over the maintenance contract with Imperial Oil and at the same time they’re also taking our employees on and training them,” says Schultz. “We have five scaffold erector trainees on

staff and, currently, we have people only a year or two away from getting their tickets,” he says. “As our scaffolding guys become journeymen they’ll be able to take on the whole job and we’ll be able to hire more people and train them under our journeymen. There’s potential for between five and eight more jobs and as well there is the potential for us to purchase more scaffolding.”

“The other skill enhancement going on is with the rig crews who will be training to become rig managers and drillers so there is a lot of on-

going training on the service rigs,” he says.

“There are clearly benefits to doing business with people who have been in business so a joint venture or partnership is the way to go.”

Tim Schultz

Pimee Well Services has five service rigs and as a result, Imperial Oil requested that the one owned by Seven Lakes Oilfield Services be put under the same umbrella. To do this, Pimee leases the mobile rig thus satisfying the contractual demands of the oil company while still generating revenue for Seven Lakes Oilfield services and creating employment for First Nations people.

“An oilwell service rig is a mobile self-contained rig with a crew of five that does work overs on oilwells,” says Schultz. The units are able to pull and replace worn tubing from oil wells.” “We also supply general labour to Imperial Oil. The labour is at an oilfield entry level but from there they will learn about the oil industry and hopefully branch out and do more higher tech kinds of work,” he says.

In spite of the opportunity, there have been challenges in getting the company up and running, some anticipated, others not. “It’s very difficult to get started in business today,” says Schultz. “We knew that financially it would be tough because it is always difficult to get up and running and initially, keeping our people busy was a challenge but that hasn’t been such an issue lately. We can still develop more into the waste disposal business and there is talk of getting another service rig.”

Seven Lakes Oilfield Services is not content to wait for new opportunities to land in front of them. “We are actively searching out other companies to do business with and currently, we’re in negotiations with two companies,” says Schultz. “We had a fairly slow first few months but business is increasing. Six jobs were created on the service rig so there were actually 16 new jobs created by Seven Lakes but that too will increase.”

negotiations will be key to accessing oil and gas opportunities in gaspé

By Raymond Lawrence

Gaspé, which juts into the Gulf of the St. Lawrence from Québec, shares its geology with oil-rich Texas and Ohio which means the picturesque peninsula may be sitting on a potential oil find.

That potential has people watching closely but perhaps none so closely as the Mi'gmawei Mawoimi Tribal Council which represents the Listuguj, Gespeg, and Gesgapegiag Mi'gmaq Nations, all of which are situated on Gaspé.

The three Mi'gmaq communities are among the signatories of *The Treaties of Peace and Friendship* which cover the entire land mass of Atlantic Canada. Recent interpretation of those treaties have so far ended in high court rulings that allow the Mi'gmaq and Maliseet access to the commercial forestry and the commercial fisheries industries. They also intend to assert their right to any oil and gas resources. Should there be a significant find in the area, the Tribal Council wants to derive the most benefits possible. To this end, they brought in outside help to draw up plans for dealing with the Province of Québec and the oil and gas industry. Dal McCloy is a consultant from the PM Group with 30 years experience in advancing Aboriginal issues, especially those connected to oil and gas.

"The activity in the Gulf of St Lawrence and into Gaspé is still pretty limited, but the basin is similar to other areas where there are oil and gas deposits," says McCloy.

It is part of what was probably a prehistoric coastline that began somewhere in the southeastern United States and ran through Ohio to the Gulf of the St Lawrence and the Gaspé Peninsula. "The rock structure and geological formation of this basin are indicative of oil and gas deposits. Along that line, large fields of oil and gas have been found so companies look for the same patterns that led to previous discoveries."

"Negotiating to find a good way to work together is the best approach. When there is certainty, oil companies are a lot happier, they are likely to do more exploration and invest more money."

Dal McCloy

"Most subsurface resources are held by governments so when oil and drilling activity take place they get the royalties," McCloy says. The Mi'gmaq, however, assert that they have title to the lands. "They're working from the perspective that they never gave up title to the land and if you have title to the land, you should have a share of the resources," he explains.

"Oil companies understand the risks of drilling but they don't want to be dealing with political risks they can't control." Unsettled land issues can hamper development and even derail work. "Investors don't like uncertainty," McCloy says.

The Mi'gmaq expect to work with the province of Québec to resolve future issues. "Negotiating to find a good way to work together is the best approach. When there is certainty, oil companies are a lot happier, they are likely to do more exploration and invest more money," McCloy says.

Because oil and gas are non-renewable resources, he says it is critical to negotiate with the mind-set that you are selling an asset. "You take your royalties and put them into a trust fund to generate long-term income. You want to be able to negotiate for opportunities but you need capital to participate," says McCloy.

By applying this approach, the Mi'gmawei Mawoimi Tribal Council and its member nations will be able to participate in many different oil and gas activities providing considerably more revenue, employment, and business opportunity.

"If you want to try to develop your own oil and gas business, the best way to do that is to create joint ventures and work with people who can transfer technology."





IOGC Operations

Indian Oil and Gas Canada has four distinct units that regulate the exploration, production and management of First Nations oil and gas resources. Executive Unit is accountable for overall agency planning and direction, consultation, policy development, pilot project management, communications and overall executive and legal services. Land Unit issues and administers agreements on First Nations lands. Production Unit monitors production and collects royalties. Planning and Corporate Services Unit is responsible for corporate planning, finance, administration and human resources.

Executive Unit

The Executive Unit, headed by the Chief Executive Officer, focuses on:

- ▶ Setting corporate direction and strategy
- ▶ Implementation of directives of the IOGC Board of Directors
- ▶ Operational policy development (including legislative/regulatory amendments) and consultation
- ▶ Communications and corporate executive services
- ▶ Legal services
- ▶ Management of the pilot project

Along with fulfilling the Crown's fiduciary and statutory obligations related to the management of oil and gas on First Nations lands, one of the unit's other central objectives is to further the aspirations and initiatives of First Nations to manage their petroleum resources.

To this end, the CEO and other members of IOGC's executive team act as senior level liaisons between:

- ▶ The IOGC Board of Directors
- ▶ First Nations elected leadership
- ▶ Other government agencies
- ▶ The Canadian oil and gas industry

Operational Policy Group

Reporting to the Executive Director, the Operational Policy group supports the work of the Land and Production units in developing oil and gas operational policies. The policy group has responsibility for:

- ▶ Operational policy development
- ▶ Commencing a continuous change process for legislative amendments including amendments to the governing regime
- ▶ Advancing current proposed changes to the Indian Oil and Gas Act and Indian Oil and Gas Regulations, 1995
- ▶ Preparing and implementing an involvement approach to ensure all key parties have input into any proposed changes



Management of the Pilot Project

The First Nations Oil and Gas Management Initiative, referred to as the "Pilot Project", also falls under the umbrella of the Executive Unit. This initiative was launched in 1994 and was developed to provide First Nations with the operational capacity to assume control and management of oil and gas resources on their reserve lands. The project was developed and initially implemented through a joint process involving First Nations, the Indian Resource Council (IRC) and the Department of Indian Affairs and Northern Development (DIAND) through its regulatory agency IOGC to transfer the full management of oil and gas resources from IOGC to the First Nations by 2005. Three First Nations are currently involved in the Pilot Project: Blood, Siksika, and White Bear.

Through a period of capacity development, training and evaluation, the Pilot Project continues to be a success, but key findings and complexities have indicated that if the complete transfer of oil and gas resource management to First Nations is to be successful, new legislation must be put into place.

A negotiation table was established in June 2001 and significant progress has been made toward resolution of many issues and concerns of the participating parties. IOGC continues to work with the Pilot First Nations, other regional First Nation representatives and federal and provincial government departments to continue to build on earlier work and bring forward a comprehensive legislative package that will allow First Nations to manage and control their resources. If everything proceeds according to plan, the Minister of Indian Affairs and Northern Development could introduce the new legislative package in 2005.

Communications/Executive Services

Responsibility for IOGC corporate and First Nations communications and executive services lies within the Executive Unit.

The Communications/Executive Services Unit is responsible for:

- ▶ Ensuring the proper dissemination of information to First Nations, the public and government
- ▶ Development of corporate communications strategies regarding IOGC issues that have the potential to impact First Nations or the private sector
- ▶ Development and preparation of briefings on IOGC issues for senior DIAND/IOGC officials and the minister
- ▶ Preparation of communications plans, strategies, reports (including the Annual Report) and correspondence on IOGC activity

Legal Counsel

Department of Justice (DOJ) legal counsel play a vital support role, not only in terms of litigation matters, but especially in the contract and land issues that play such an important role in the day to day business of the organization.

These activities include:

- ▶ Provision of legal advice with respect to the First Nations Oil and Gas Management Initiative and the IOGC Co-Management Board of Directors
- ▶ Regulatory, policy and operations advice as well as monitoring litigation in which IOGC is involved
- ▶ Provision of legal advice to the IOGC executive management committee





IOGC Operations

The Land Unit contains five groups:
Negotiations, Subsurface Land Contracts and Administration, Research, Environment and Surface.

Negotiations Group

The negotiations group is involved in oil and gas dispositions. Specific duties of the negotiations group include:

- ▶ Assessing proposals by interested companies to ensure they reflect fair return and are competitive in accordance with IOGC's disposition policy
- ▶ Identifying, developing and promoting disposition options with First Nations to increase exploration and development of First Nations oil and gas resources
- ▶ Assisting First Nations in reaching agreements with companies by providing negotiation and facilitation expertise to support the negotiation process
- ▶ Providing information concerning subsurface leasing trends, sales prices and related policies to all interested stakeholders
- ▶ Providing advice to Treaty Land Entitlement (TLE) First Nations, and working together with various federal and provincial government departments and industry to facilitate the implementation of the TLE process.

Research Group

This group is responsible for:

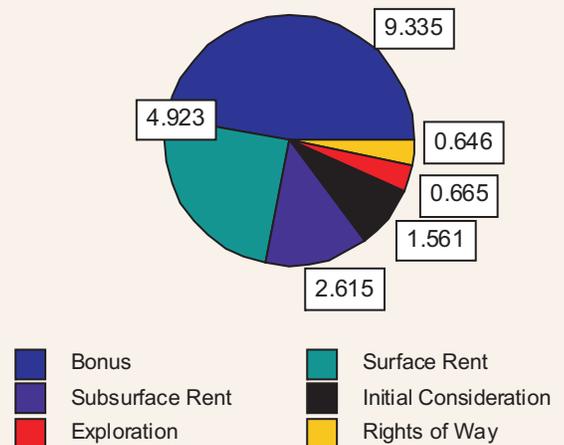
- ▶ Verifying legal title and status of minerals for surrendered and designated Indian reserve lands prior to disposition.
- ▶ Verifying legal title and acreage leased by all parties (this may entail review of title for non-reserve lands) to determine the First Nation interest for pooling purposes and to ensure the production spacing unit is complete
- ▶ Providing mineral title status of Indian reserve or former Indian reserve land for the purposes of monitoring activity, land claims, and litigation

Sub Surface Land Contracts and Administration Group

The land contracts and administration group is involved in preparing and administering contracts for subsurface dispositions. Specific duties of the land contracts and administration group include:

- ▶ Drafting and ensuring the execution of oil and gas agreements and amendments in accordance with negotiated terms and conditions and with federal government regulations
- ▶ Monitoring contractual commitments
- ▶ Administration of subsurface oil and gas agreements throughout the life of the agreement, including financial commitments (excluding royalties) and First Nation suspense accounts

Land Monies from First Nations Land
2003 - 2004 Total \$19.745 Million



Environment Group

This group is responsible for:

- ▶ Ensuring all proposed oil and gas surface facilities and activities, including seismic and construction of surface leases and pipeline rights-of-way, undergo an environmental assessment as required by the Canadian Environmental Assessment Act (CEAA)
- ▶ Screening all environmental assessments to ensure environmental impacts are adequately mitigated as required by CEAA
- ▶ Imposition of environmental protection terms so that oil and gas companies comply with federal and provincial environmental legislation
- ▶ Performance of field inspections and audits of surface facilities to monitor industry compliance with the terms of surface agreements

Surface Group

This group is responsible for:

- ▶ Drafting and ensuring execution of all surface agreements in accordance with negotiated terms and conditions and federal government regulations
- ▶ Management of matters and records relating to surface agreements and surface access.
- ▶ Training and working together with First Nations and industry regarding surface dispositions for upstream oil and gas activities

Treaty Land Entitlements

Indian Oil and Gas Canada continues to play an important role in the Treaty Land Entitlement (TLE) process, particularly in Saskatchewan. Ninety-nine percent of the TLE lands that IOGC administers are in Saskatchewan. There have been approximately 212,172 hectares of Indian reserve lands created since the implementation of the TLE process in Saskatchewan and of these there are approximately 108,743 hectares with oil and gas activities at year end.

TLE replacement agreements have been issued on the Onion Lake and Red Pheasant reserves. At year end IOGC was administering 88 oil and gas royalty entities. This included 43 related mineral agreements. In addition there are 104 surface leases and 16 rights-of-way.

In the fiscal year, IOGC collected \$7,065,677 on behalf of Saskatchewan First Nations for oil and gas agreements on TLE lands. Under section 5:08 of the Saskatchewan TLE Framework Agreement, Entitlement First Nations can purchase provincially disposed lands by paying future oil and gas royalties to the Province of Saskatchewan. This fiscal year IOGC collected and transferred \$5,979,790 to Saskatchewan for 5:08 replacement agreements. Under section 5:03 of the Framework Agreement, Entitlement First Nations purchase the minerals and retain all the royalties. IOGC collected \$1,085,886 during the 2003-2004 fiscal year for 5:03 replacement agreements.

The activities associated with Treaty Land Entitlement lands have had a major impact on IOGC processes and resources in the past and this will continue well into the future. At year end IOGC was in the process of preparing more replacement agreements than have previously been issued in total. Given the unique nature of the activities associated with the TLE land selection process, IOGC looks forward to working with the TLE First Nations, Indian and Northern Affairs Canada (INAC) Saskatchewan Region, the Province of Saskatchewan and the oil and gas industry in this process.



IOGC Operations

New Subsurface Leases 2003-2004

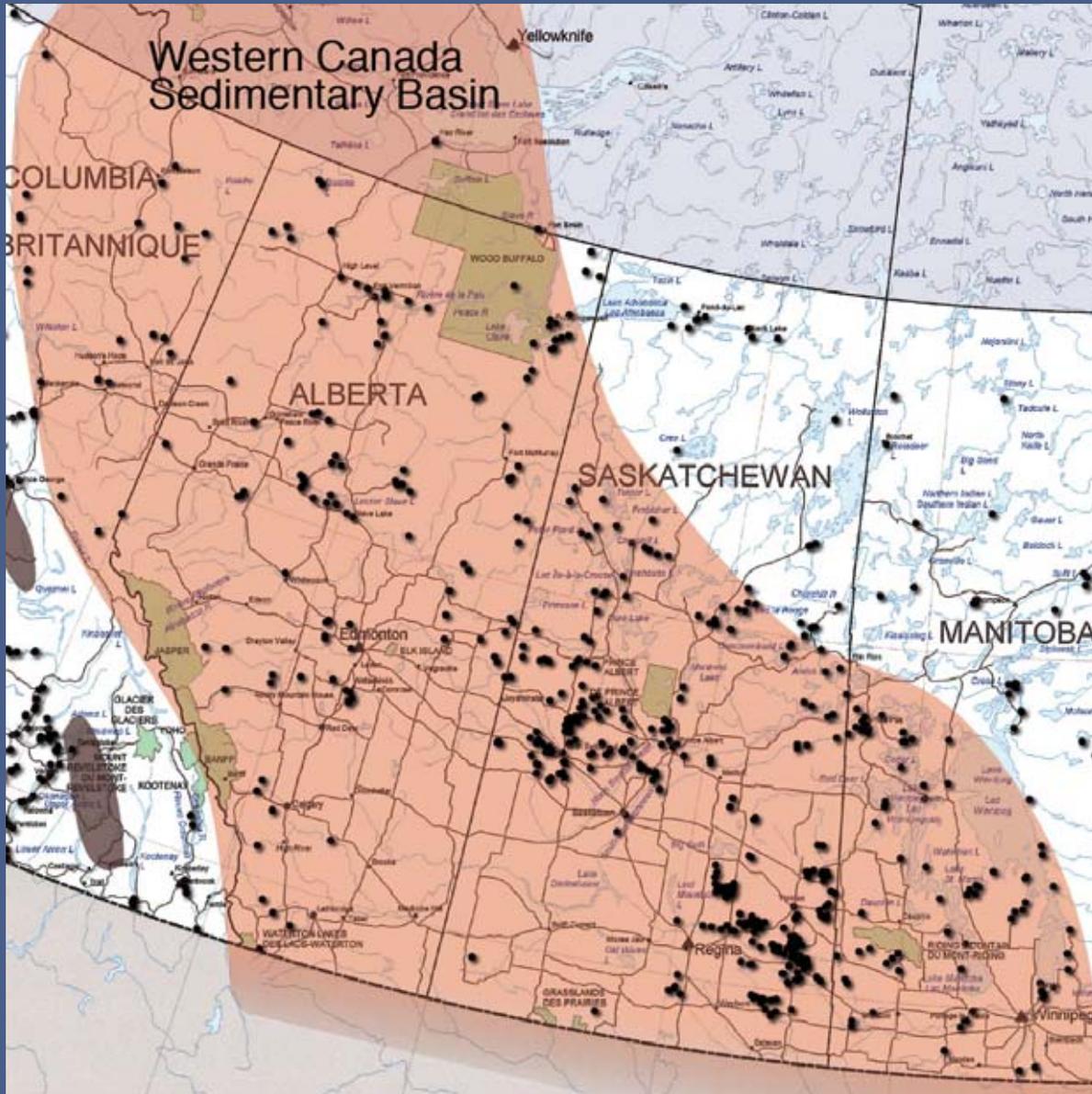
(Excluding lease selections from permits)

First Nation	Company	Area Disposed (hectares)
Alexander First Nation	Paramount Resources Ltd	2,017.82
Beaver Lake Cree Nation	Husky Oil Operations Limited.	1,536.00
Bigstone Cree Nation	Atlas Energy Ltd.	1,977.19
Blood Tribe	Bowood Energy Corp.	512.00
Enoch Cree First Nation	Oskya Energy Ltd..	352.00
Enoch Cree First Nation	Oskya Energy Ltd.	5,120.00
Makwa Sahgaiechan FN	Bonavista Petroleum Ltd.	117.24
Onion Lake First Nation	Canadian Natural Resources Limited	187.25
Paul First Nation	Penn West Exploration Ltd.	256.00
Paul First Nation	Zargon Oil & Gas Ltd.	6,226.90
Siksika Nation	Moxie Exploration Ltd.	64.00
Siksika Nation	Encana Corporation	81.82
Siksika Nation	Petrobank Energy and Resources Ltd.	384.00
Siksika Nation	EOG Resources Canada Inc.	1.88
Total		18,834.10 ha

New Subsurface Permits 2003-2004

First Nation	Company	Area Disposed (hectares)
Alexis Nakota Sioux Nation	Exalta Energy Inc.	4,910.66
Alexis Nakota Sioux Nation	Tusk Energy Inc.	3,497.54
Beaver Lake Cree FN	Husky Oil Operations Limited	3,411.08
Blood Tribe	Bonavista Petroleum Ltd.	10,972.48
Bobtail	Burlington Resources Canada Ltd.	213.14
Kapawe'no First Nation	Northern Sun Exploration Company Inc.	1,539.36
Loon River Cree Nation	Harvest Operations Corp.	5,091.59
Louis Bull First Nation	Burlington Resources Canada Ltd.	711.18
Makwa Sahgaiechan FN	Bonavista Petroleum Ltd.	5,425.04
Montana First Nation	Burlington Resources Canada Ltd.	2,806.92
Onion Lake First Nation	Onion Lake Energy Ltd.	49,051.77
Piapot First Nation	Petrobank Energy and Resources Ltd.	20,292.48
Poundmaker First Nation	Poundmaker Energy Corporation	2,385.15
Sweetgrass First Nation	Cavell Energy Corporation	16,961.70
Tsui T'ina Nation	Tsui T'ina Energy Corporation	1,024.00
Tsui T'ina Nation	Tsui T'ina Energy Corporation	1,792.00
Whitefish Lake First Nation	C1 Energy Ltd	3,114.90
Total		133,200.99 ha

Sedimentary basin map





IOGC Operations

The Production Unit includes three distinct groups: Engineering/Geology, Royalties and Informatics.

Engineering/Geology Group

Responsibilities for this group include:

- ▶ Execution of duties in the functional areas of volumetric compliance, production monitoring and reservoir engineering
- ▶ Provision of technical evaluation as part of the review and processing of leases at the end of their primary and succeeding terms
- ▶ Maintenance of close liaison with other functional groups within the organization while performing these functions

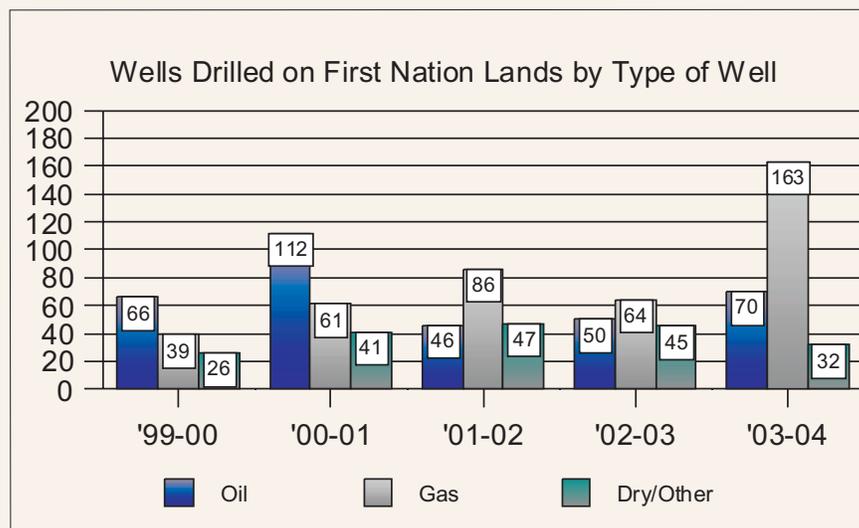
The Compliance activities include:

- ▶ Ensuring that production volumes are measured accurately and reported correctly and inspecting production equipment located on reserves to ensure operation in an environmentally sound manner
- ▶ Monitoring the drilling and status of wells around reserves to identify situations where First Nations oil and gas resources are subject to the risk of being drained and taking appropriate measures to lessen the risk of drainage

- ▶ Ensuring that all necessary documents required by the Indian Oil and Gas Regulations and which pertain to drilling, servicing and abandoning wells in which a First Nation has a royalty interest, are provided by permittees and lessees
- ▶ Reviewing technical applications of various kinds which companies submit to the provincial regulatory authorities and which could potentially impact First Nations reserve lands

The Reservoir Engineering activities include:

- ▶ Providing yearly revenue forecasts to First Nations and the regional offices for budgeting purposes.
- ▶ Evaluating oil and gas leases for continuance
- ▶ Processing applications to abandon wells and to convert wells for water disposal, fluid injection or use as observation wells. Prior to approving any such request, technical information contained in the well file is reviewed to obtain assurance that no economically recoverable oil or gas remains



- ▶ Providing advice to First Nations with respect to the economics presented by companies in support of their proposals for developing First Nations lands. This may involve an assessment of the remaining recoverable reserves of oil and gas
- ▶ Maintaining a hydrocarbon resource inventory

Engineering and Geology Adjacent Wells

Indian Oil and Gas Canada monitors situations where wells are located on lands adjacent to an Indian reserve. These adjacent well situations are evaluated for their potential to produce or “drain” oil or gas from underneath the Indian reserve. When a potential drainage situation is found, appropriate action is taken to protect the First Nation’s interest.

Prevention or mitigation of drainage is accomplished by having the on-reserve lessee produce the oil or gas from a First Nation’s land. Adjacent wells are grouped into categories that determine the action taken. Each adjacent well situation is updated quarterly and reclassified if necessary.

For situations where reviews indicate that potential drainage is a concern, affected companies operating on Indian reserves have several choices, each of which is designed to protect the First Nations’ interests.

If a well already exists on Indian land across from the draining well but is not producing, the on-reserve lessee may bring the Indian well on production and pay ensuing royalties to the First Nation. If no well exists on Indian land across from the draining well, the company may drill a well on Indian land and produce it or abandon it if it is dry, again paying any ensuing royalties to the First Nation.

Another choice for the on-reserve lessee is to drop the affected lands from its lease or permit, allowing IOGC to search for a new company willing to drill a well. Another choice that enables a company to keep its lease rights without drilling a well or bringing a shut-in well on production is for the company to pay compensatory royalties to the First Nation. As of March 31, 2004, IOGC administered a total of 17 compensatory royalty entities.

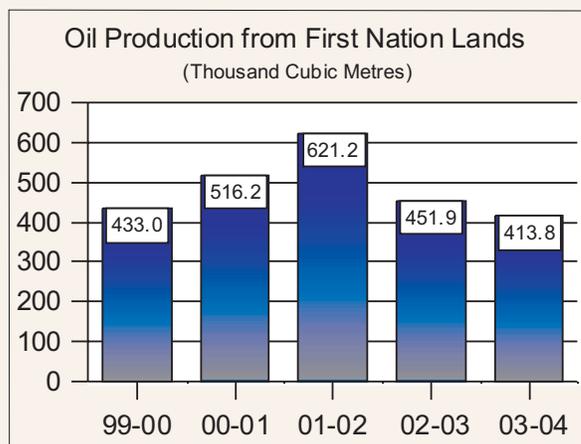
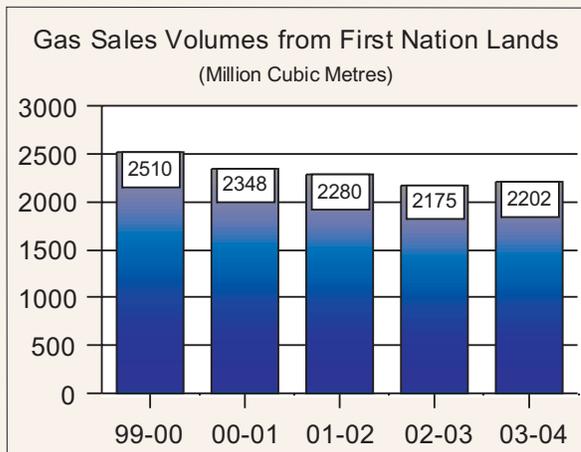
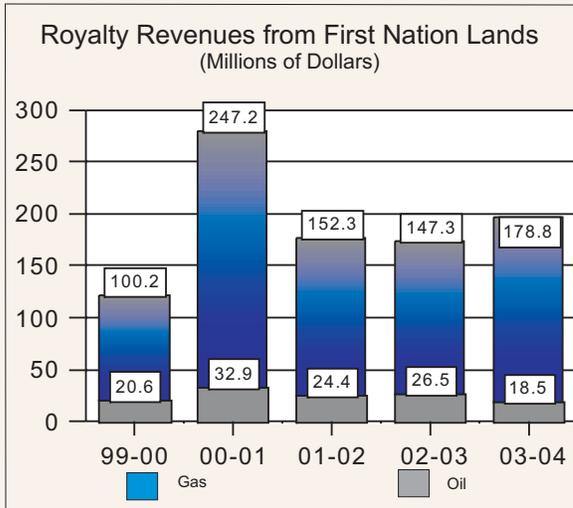
Offset Well Categories and Actions Taken

Adjacent Well	Offset Indian Interest Land	Action Taken
Producing or Non-producing	Leased or permitted	Review by engineering and geology staff
Producing or Non-producing	Not leased or permitted	Addressed by negotiations staff for leasing potential





IOGC Operations



Royalty Group

Responsibilities of this group include:

- ▶ Familiarizing First Nations with royalty processes and training of company personnel in accurate royalty reporting
- ▶ Monitoring royalties collection for Treaty Land Entitlement lands in Saskatchewan
- ▶ Ensuring all interest is accounted for from wells on production on Indian lands
- ▶ Development of a process to accept electronic royalty submissions from companies
- ▶ Assisting in training of Pilot First Nations in monitoring royalties and developing management reports
- ▶ Daily management by royalty staff of over 3000 royalty entities through the monitoring of the monthly reporting cycle, including ensuring accuracy of royalties due and received
- ▶ Ensuring the accurate collection of royalties and subsequent reconciliation of accounts
- ▶ Reporting results of reconciliation process to First Nations and companies to resolve variances
- ▶ Reviewing of gas cost allowance submissions for approval and settlement
- ▶ Conducting field and facility inspections and audits as required to ensure claim costs are accurate and fall within prescribed regulations and guidelines
- ▶ Identifying companies that need to be audited in the areas of volumes, pricing and gas cost allowance
- ▶ Verification of all reported data to ensure accuracy and completeness as this data is reported to First Nations clients and IOGC management on a regular basis

Informatics Group

Responsibilities of this group include:

- ▶ Maintenance of the local area network and the data systems used by IOGC to track leases, production figures, rentals and bonuses
- ▶ Provision of support for other corporate systems including finance, word processing, spreadsheet and graphics-based programs

TOPGAS and OMAC Update

TOPGAS, which means take or pay gas, refers to certain financing (or interest) charges associated with gas that TransCanada PipeLines (TransCanada) had contracted for but was not able to market. A consortium of banks loaned TransCanada money, which was subsequently paid to producers to satisfy TransCanada's contractual obligations. TOPGAS financing charges are the interest charges that were payable by TransCanada's producers to finance the loan. TransCanada included TOPGAS financing charges in the Alberta Cost of Service which was deducted from the sales price of gas to arrive at the Regulated Field Price, or the Contract Price (under deregulation), upon which the Indian royalty calculations were based.

OMAC refers to operating, marketing and administrative charges incurred by TransCanada to market producers' gas. Producers agreed to these costs as deductions from the netback pool price under various agreements producers signed with TransCanada.

Court Decisions

On May 3, 1993, the Stoney Tribal Council commenced legal action against PanCanadian Petroleum Limited on the issue of whether TOPGAS and OMAC charges should be deducted from the price of gas prior to the calculation of Indian royalties. On April 9, 1998, Justice P. J. McIntyre of the Alberta Court of Queen's Bench ruled in favour of the Stoney Tribal Council and ordered PanCanadian to recalculate and pay royalties without TOPGAS or OMAC deductions from May 3, 1983 forward. An appeal by

PanCanadian resulted in an Alberta Court of Appeal decision issued on July 24, 2000. In their decision, Justices Sulatycky, McFadyen and Rawlins upheld the lower court ruling and held that TOPGAS financing charges and OMAC were not deductible in the calculation of Indian royalties.

The Court of Appeal also found that the applicable period of limitations for the recalculation of royalties was six years, rather than the ten year period in the trial court opinion. This finding was based on the Court of Appeal characterizing the action as a contractual matter relating to the correct amount of money owing rather than an action to recover an interest in land, as found by the trial court.

Results of Court Decisions

To date we have collected \$1,656,150 in royalties, and \$518,394 in interest for a total of \$2,174,544 from 27 companies at 14 reserves.

Royalty payers have been informed of the court decisions. No TOPGAS deductions from the price of gas have been made since October 31, 1994 when the loans to the banks were fully repaid. IOGC uses pricing audits conducted in accordance with the overall audit strategy to monitor the validity of gas sales prices, including OMAC type deductions, on a continuing basis.

For a general discussion of the history of the take or pay gas (TOPGAS) issue see the article by Jay Park, "Developments in Natural Gas Purchase Contracts" published in 1984 in the Alberta Law Review (Vol. XXII, NO.1).

Examinations

IOGC's audit group examines submitted royalty payments and related records to ensure correct payment of royalties to First Nations. Records examined include those held by IOGC and those held by royalty payers.

Focuses of the examinations include: volumes sold, prices at which volumes were sold, and adherence to royalty related conditions in the relevant lease and in

accordance with the *Indian Oil and Gas Regulations, 1995*

During fiscal year 2003-2004, IOGC completed 34 examinations on 22 Indian Reserves. The examinations involved 24 oil and gas companies. As a result of these examinations, IOGC collected a total of \$4.69 million of additional First Nation royalty.





drilling summary-first nation interest wells 2003-2004

Summary	Oil Wells	70
	Gas Wells	163
	Cased Wells	18
	<u>Abandoned Wells</u>	<u>14</u>
	Total Wells	265

Reserve	Well Name	Location (Surface)	Status	Total Depth (m)
Alexander # 134, AB	Eni Alexander	16-35-55-27W4	Gas	1300
Alexander # 134, AB	Monolith Alexander	04-35-55-01W5(1-34)	Aban	1396
Alexis # 133, AB	Exalta St Anne	05-19-55-04W5	Aban	1445
Beaver Lake # 131, AB	Husky Crngnd	04-34-65-13W4	Gas	481
Beaver Lake # 131, AB	Husky 02 Crngnd	2/09-33-65-13W4	Gas	380
Beaver Lake # 131, AB	Husky Crngnd	07-14-65-13W4	Gas	377
Blood # 148, AB	Bonavista Blood	07-17-05-23W4	Aban	1600
Blood # 148, AB	Bonavista Blood	09-27-06-23W4	Aban	1505
Blood # 148, AB	Bonavista Penny	04-02-08-22W4(12-2)	Oil	1196
Blood # 148, AB	Bonavista Penny	10-03-08-22W4(3-3)	Oil	1490
Blood # 148, AB	Bonavista Penny	10-09-08-22W4(14-9)	Oil	1196
Blood # 148, AB	Bonavista Penny	12-09-08-22W4(14-9)	Oil	1147
Blood # 148, AB	Bonavista Penny	04-10-08-22W4(5-10)	Oil	1057
Blood # 148, AB	Bonavista Penny	12-10-08-22W4(13-10)	Oil	1064
Blood # 148, AB	Bonavista Penny	04-16-08-22W4	Oil	1094
Blood # 148, AB	Bonavista Penny	02-16-08-22W4(14-9)	Oil	1120
Blood # 148, AB	Bonavista Penny	12-17-08-22W4(11-17)	Gas	1238
Blood # 148, AB	Bonavista Penny	04-19-08-22W4(6-19)	Oil	1280
Blood # 148, AB	Bonavista Penny	10-19-08-22W4(6-19)	Oil	1293
Blood # 148, AB	Bonavista Penny	15-12-08-23W4	Gas	1346
Blood # 148, AB	Bonavista Penny	2/16-27-08-23W4	Oil	1315
Blood # 148, AB	Bonavista Penny	2/16-23-08-23W4	Oil	1260
Blood # 148, AB	Bonavista Penny	14-23-08-23W4	Oil	1266
Blood # 148, AB	Bonavista Penny	08-32-08-23W4	Cased	1488
Blood # 148, AB	Bonavista Penny	16-03-09-23W4	Gas	1140
Blood # 148, AB	Bonavista Pearce	08-12-09-24W4	Oil	1560
Blood Lob # 148a, AB	Pioneer Lookout Butte	15-09-01-28W4(3-16)	Cased	3853
Buck Lake # 133c, AB	Penn West Exp 102 Minhik	2/06-21-45-05W5	Gas	869
Cold Lake # 149, AB	Baytex 13a Beaverdam	8/13-15-61-02W4	Oil	405
Cold Lake # 149, AB	Baytex 8a Beavrdm	5/08-16-61-02W4	Oil	487
Cold Lake # 149, AB	Baytex 102 15d Beavrdm	15-16-61-02W4(1-21)	Cased	429
Cold Lake # 149, AB	Baytex 8d Beaverdam	08-21-61-02W4(5-22)	Oil	670
Cold Lake # 149, AB	Baytex 9a Beaverdam	09-21-61-02W4(5-22)	Oil	670
Cold Lake # 149, AB	Baytex 4d Beaverdam	04-22-61-02W4(5-22)	Oil	652
Cold Lake # 149, AB	Baytex 5b Beaverdam	2/05-22-61-02W4	Oil	529
Cold Lake # 149, AB	Baytex 5a Beaverdam	3/05-22-61-02W4	Oil	475
Cold Lake # 149, AB	Baytex 5d Beaverdam	4/05-22-61-02W4	Oil	434
Cold Lake # 149, AB	Baytex 5c Beaverdam	5/05-22-61-02W4	Oil	475
Cold Lake # 149, AB	Baytex 6b Beaverdam	2/06-22-61-02W4(5-22)	Oil	559
Cold Lake # 149, AB	Baytex 6c Beaverdam	3/06-22-61-02W4(5-22)	Oil	501
Cold Lake # 149, AB	Baytex 6d Beaverdam	4/06-22-61-02W4(5-22)	Oil	616
Cold Lake # 149, AB	Baytex 7a Beaverdam	5/07-22-61-02W4	Cased	389
Cold Lake # 149, AB	Baytex 10b Beavrdm	5/10-22-61-02W4(7-22)	Oil	412
Cold Lake # 149, AB	Baytex 11b Beaverdam	3/11-22-61-02W4(5-22)	Oil	515
Cold Lake # 149, AB	Baytex 11c Beaverdam	4/11-22-61-02W4(5-22)	Oil	690
Cold Lake # 149, AB	Baytex 12b Beaverdam	4/12-22-61-02W4(5-22)	Oil	525
Cold Lake # 149, AB	Baytex 12c Beaverdam	3/12-22-61-02W4(5-22)	Oil	641



drilling summary-first nation interest wells 2003-2004

Reserve	Well Name	Location (Surface)	Status	Total Depth (m)
Driftpile River # 150, AB	Penn West Driftpile	04-26-73-12W5	Cased	774
Driftpile River # 150, AB	Penn West Driftpile	16-03-74-12W5	Cased	825
Driftpile River # 150, AB	Penn West Driftpile	06-04-74-12W5	Cased	805
Driftpile River # 150, AB	Penn West Driftpile	10-06-74-12W5	Cased	873
Halfway River # 168, B.C	Aecl Halfway	03-26-86-25W6	Cased	1557
Hay Lake # 209, AB	Devlan Sousa	06-05-112-05W6	Gas	318
Hay Lake # 209, AB	Navigo Sousa	06-25-112-05W6	Gas	277
Hay Lake # 209, AB	Navigo Sousa	04-10-112-05W6	Gas	282
Horse Lakes # 152b, AB	Eca Ecog Sinclair	12-14-73-12W6(5-14)	Gas	2685
Horse Lakes # 152b, AB	Eca Ecog 102 Sinclair	2/15-24-73-12W6	Gas	2585
Horse Lakes # 152b, AB	Talisman Sinclair	02-35-73-12W6	Gas	2510
Kehiwin # 123, AB	Cnrl Kehiwin	15-25-59-06W4	Gas	504
Littlepine # 116, SK	Cavell Carruthers	131/10-27-45-22W3	Gas	586
Louis Bull 138b, AB	Brel Nelson	03-15-45-25W4	Cased	1505
Louis Bull 138b, AB	Brel 102 Nelson	2/02-23-45-25W4	Gas	568
Makaao # 120, AB	Pan Global Makaoo	08-25-54-28W3	Gas	574
Makaao # 120, AB	Pan Global John Lake	09-25-54-01W4	Gas	578
Makaao # 120, AB	Galleon John Lake	09-01-55-01W4	Gas	572
Makwa # 129, SK	Bonavista Makwa	131/05-23-58-23W3	Gas	439
Nekaneek # 160a, SK	Regent Merryflat	131/14-17-07-28W3	Gas	1091
Nekaneek # 160a, SK	Regent Merryflat	08-32-07-28W3	Gas	1000
New Thunderchild # 115b SK	Avalon Thunderchild	101/A11-04-52-20W3	Oil	493
New Thunderchild # 115b SK	Avalon Thunderchild	12-04-52-20W3	Oil	541
New Thunderchild # 115b SK	Avalon Thunderchild	13-04-52-20W3	Oil	550
New Thunderchild # 115b SK	Avalon Thunderchild	07-08-52-20W3	Gas	534
New Thunderchild # 115b SK	Avalon Thunderchild	08-09-52-20W3	Gas	500
New Thunderchild # 115b SK	Avalon Thunderchild	101/13-13-52-20W3	Gas	542
New Thunderchild # 115b SK	Avalon Thunderchild	141/06-14-52-20W3	Gas	549
New Thunderchild # 115b SK	Avalon Thunderchild	05-16-52-20W3	Gas	556
New Thunderchild # 115b SK	Avalon Thunderchild	131/02-02-52-20W3	Oil	558
O'chiese # 203, AB	Westrock Willgr	15-07-44-09W5	Gas	1717
O'chiese # 203, AB	Brel Willgr	16-19-44-09W5	Gas	1640
O'chiese # 203, AB	Westrock Pem	12-01-45-11W5	Gas	1721
Onion Lake 119-1, SK	Pan Global Onion Lake	41/11-25-55-27W3	Aban	710
Onion Lake 119-1, SK	Pan Global Onion Lake	D9-30-55-27W3	Cased	610
Onion Lake 119-1, SK	Pan Global Peck Lake	41/02-32-56-27W3	Gas	667
Onion Lake 119-1, SK	Pan Global Peck Lake	31/04-34-56-27W3	Gas	653
Onion Lake 119-1, SK	Pan Global Peck Lake	21/09-01-56-27W4	Cased	742
Onion Lake 119-1, SK	Pan Global Bronson Lake	09-05-56-27W3	Oil	635
Onion Lake 119-1, SK	Pan Global Bronson Lake	21/11-09-56-27W3	Aban	678
Onion Lake 119-1, SK	Pan Global Bronson Lake	11/11-10-56-27W3	Cased	700
Onion Lake 119-1, SK	Pan Global Bronson Lake	41/07-35-56-27W3	Gas	688
Onion Lake 119-1, SK	Pan Global Peck Lake	41/09-05-57-27W3	Oil	647
Onion Lake 119-1, SK	Pan Global Peck Lake	11/15-03-58-27W3	Aban	676
Onion Lake 119-1, SK	Pan Global Peck Lake	11/13-21-58-27W3	Gas	680
Onion Lake 119-1, SK	Pan Global Peck Lake	21/07-35-58-27W3	Gas	678
Onion Lake 119-1, SK	Pan Global Peck Lake	31/15-36-58-27W3	Gas	649
Onion Lake 119-1, SK	Profico Peck Lake	31/14-19-57-26W3	Gas	518
Onion Lake 119-1, SK	Profico Peck Lake	41/03-17-57-26W3	Gas	398
Onion Lake 119-1, SK	Profico Peck Lake	21/02-18-57-26W3	Gas	482
Onion Lake 119-1, SK	Profico Peck Lake	21/09-21-57-26W3	Gas	415
Onion Lake 119-1, SK	Profico Peck Lake	41/08-34-57-27W3	Cased	463
Pigeon Lake # 138a, AB	Cop 100 Bglen	09-14-46-28W4	Cased	2250
Pigeon Lake # 138a, AB	Bpei Bglen	01-24-46-28W4	Cased	1329
Pigeon Lake # 138a, AB	Bpei Bglen	08-24-46-28W4(5-19-47-27)	Cased	1328





drilling summary-first nation interest wells 2003-2004

Reserve	Well Name	Location (Surface)	Status	Total Depth(m)
Pigeon Lake # 138a, AB	Pivotal Bonnie Glen	4/12-36-46-28W4	Gas	1672
Poundmaker # 114, SK	Banks Poundmaker	08-33-44-21W3	Gas	635
Poundmaker # 114-21, SK	Banks Freemont	A2-33-44-24W3	Oil	745
Poundmaker # 114-21, SK	Banks Freemont	A3-33-44-24W3	Oil	745
Poundmaker # 114-21, SK	Banks Freemont	A9-33-44-24W3	Oil	721
Poundmaker # 114-21, SK	Banks Freemont	07-33-44-24W3	Oil	738
Puskiakiwenin # 122, AB	Husky 12 Frog Lake	12-16-57-03W4	Oil	573
Puskiakiwenin # 122, AB	Pvr 2d Frog Lk	02-31-57-03W4	Oil	583
Puskiakiwenin # 122, AB	Pvr 13d Frog Lk	13-33-57-03W4	Oil	564
Puskiakiwenin # 122, AB	Pvr 2b Lndbrgh	02-15-57-04W4	Oil	586
Puskiakiwenin # 122, AB	Pvr 12a Lndbrgh	12-25-57-04W4	Oil	591
Puskiakiwenin # 122, AB	Pvr 10c Lndbrgh	10-34-57-04W4	Oil	594
Puskiakiwenin # 122, AB	Pvr 5a Lndbrgh	05-01-58-04W4	Oil	605
Saddle Lake # 125, AB	Tusk Keyano Cache	03-14-57-11W4	Gas	681
Saddle Lake # 125, AB	Tusk Keyano Cache	01-20-57-11W4	Gas	711
Saddle Lake # 125, AB	Tusk Keyano Cache	04-28-57-11W4	Gas	690
Saddle Lake # 125, AB	Tusk Keyano Cache	05-30-57-11W4	Gas	681
Saddle Lake # 125, AB	Tusk Keyano Cache	05-02-57-12W4	Gas	690
Saddle Lake # 125, AB	Tusk Keyano Cache	05-27-57-12W4	Gas	678
Saddle Lake # 125, AB	Tusk Keyano Cache	09-36-57-12W4	Gas	670
Saddle Lake # 125, AB	Tusk Keyano Stry	10-26-57-13W4	Gas	710
Seekaskootch # 121, SK	Pan Global Onion Lake	132/11-09-55-27W3	Oil	621
Siksika # 146, AB	Eog Gleichen	08-05-22-21W4(4-4-22-21)	Gas	978
Siksika # 146, AB	Eog Gleichen	06-26-21-21W4	Gas	820
Siksika # 146, AB	Eog Gleichen	06-27-21-21W4	Gas	817
Siksika # 146, AB	Eog Gleichen	08-27-21-21W4	Gas	828
Siksika # 146, AB	Eog 102 Gleichen	2/09-28-21-21W4	Gas	835
Siksika # 146, AB	Eog Gleichen	14-28-21-21W4	Gas	827
Siksika # 146, AB	Eog Gleichen	06-32-21-21W4	Gas	850
Siksika # 146, AB	Eog Gleichen	08-32-21-21W4	Gas	845
Siksika # 146, AB	Eog Gleichen	11-32-21-21W4	Gas	850
Siksika # 146, AB	Eog Gleichen	16-32-21-21W4(4-4-22-21)	Gas	1204
Siksika # 146, AB	Eog Gleichen	06-33-21-21W4	Gas	838
Siksika # 146, AB	Eog Gleichen	06-05-22-21W4	Gas	848
Siksika # 146, AB	Eog Gleichen	06-06-22-21W4	Gas	860
Siksika # 146, AB	Eog Gleichen	08-06-22-21W4	Gas	852
Siksika # 146, AB	Eog Shouldice	06-25-21-22W4	Gas	869
Siksika # 146, AB	Eog Shouldice	08-25-21-22W4(6-25)	Gas	1188
Siksika # 146, AB	Eog Shouldice	16-25-21-22W4	Gas	859
Siksika # 146, AB	Eog Shouldice	06-26-21-22W4	Gas	1257
Siksika # 146, AB	Eog Shouldice	08-26-21-22W4	Gas	879
Siksika # 146, AB	Eog Shouldice	14-26-21-22W4	Gas	888
Siksika # 146, AB	Eog Shouldice	16-26-21-22W4	Gas	873
Siksika # 146, AB	Eog Shouldice	06-27-21-22W4	Gas	890
Siksika # 146, AB	Eog Shouldice	08-27-21-22W4	Gas	890
Siksika # 146, AB	Eog Shouldice	14-27-21-22W4	Gas	899
Siksika # 146, AB	Eog Shouldice	16-27-21-22W4	Gas	886
Siksika # 146, AB	Eog Shouldice	06-28-21-22W4	Gas	901
Siksika # 146, AB	Eog Shouldice	08-28-21-22W4	Gas	898
Siksika # 146, AB	Eog Shouldice	14-28-21-22W4	Gas	889
Siksika # 146, AB	Eog Shouldice	06-29-21-22W4	Gas	918
Siksika # 146, AB	Eog Shouldice	08-29-21-22W4	Gas	914
Siksika # 146, AB	Eog Shouldice	14-29-21-22W4	Gas	916
Siksika # 146, AB	Eog Shouldice	16-29-21-22W4	Gas	915
Siksika # 146, AB	Eog Shouldice	08-30-21-22W4	Gas	931

drilling summary-first nation interest wells 2003-2004

Reserve	Well Name	Location (Surface)	Status	Total Depth(m)
Siksika # 146, AB	Eog Shouldice	14-30-21-22W4	Gas	920
Siksika # 146, AB	Eog Shouldice	08-31-21-22W4	Gas	929
Siksika # 146, AB	Eog Shouldice	06-32-21-22W4	Gas	922
Siksika # 146, AB	Eog Shouldice	08-32-21-22W4	Gas	900
Siksika # 146, AB	Eog Shouldice	14-32-21-22W4	Gas	915
Siksika # 146, AB	Eog Shouldice	2/06-33-21-22W4	Gas	896
Siksika # 146, AB	Eog Shouldice	08-33-21-22W4	Gas	897
Siksika # 146, AB	Eog Shouldice	14-33-21-22W4	Gas	902
Siksika # 146, AB	Eog Shouldice	16-33-21-22W4	Gas	905
Siksika # 146, AB	Eog Shouldice	06-34-21-22W4	Gas	900
Siksika # 146, AB	Eog Shouldice	08-34-21-22W4	Gas	889
Siksika # 146, AB	Eog Shouldice	14-34-21-22W4	Gas	888
Siksika # 146, AB	Eog Shouldice	16-34-21-22W4	Gas	888
Siksika # 146, AB	Eog Shouldice	06-35-21-22W4	Gas	882
Siksika # 146, AB	Eog Shouldice	08-35-21-22W4	Gas	887
Siksika # 146, AB	Eog Shouldice	14-35-21-22W4	Gas	885
Siksika # 146, AB	Eog Shouldice	14-32-21-22W4	Gas	915
Siksika # 146, AB	Eog Shouldice	16-35-21-22W4	Gas	862
Siksika # 146, AB	Eog Shouldice	06-36-21-22W4	Gas	865
Siksika # 146, AB	Eog Shouldice	08-36-21-22W4	Gas	860
Siksika # 146, AB	Eog Shouldice	14-36-21-22W4	Gas	870
Siksika # 146, AB	Eog Shouldice	16-36-21-22W4	Gas	860
Siksika # 146, AB	Eog Shouldice	13-25-21-23W4	Gas	930
Siksika # 146, AB	Eog Gleichen	14-01-22-22W4	Gas	868
Siksika # 146, AB	Eog Gleichen	06-01-22-22W4	Gas	870
Siksika # 146, AB	Eog Gleichen	07-01-22-22W4	Gas	870
Siksika # 146, AB	Eog Gleichen	16-01-22-22W4	Gas	865
Siksika # 146, AB	Eog Gleichen	08-02-22-22W4	Gas	875
Siksika # 146, AB	Eog Gleichen	14-02-22-22W4	Gas	975
Siksika # 146, AB	Eog Gleichen	09-03-22-22W4	Gas	887
Siksika # 146, AB	Eog Gleichen	14-03-22-22W4	Gas	895
Siksika # 146, AB	Eog Blackfoot	08-04-22-22W4	Gas	890
Siksika # 146, AB	Eog Blackfoot	14-04-22-22W4	Gas	902
Siksika # 146, AB	Eog Blackfoot	08-05-22-22W4	Gas	910
Siksika # 146, AB	Eog Blackfoot	14-05-22-22W4	Gas	914
Siksika # 146, AB	Eog Blackfoot	08-06-22-22W4	Gas	930
Siksika # 146, AB	Eog Blackfoot	14-06-22-22W4	Gas	928
Siksika # 146, AB	Petrobank Serc Jumpbush	01-30-20-19W4	Gas	826
Siksika # 146, AB	Petrobank Serc Jumpbush	16-20-20-20W4	Gas	1260
Siksika # 146, AB	Petrobank Serc 102 Jbush	07-22-20-20W4	Gas	1280
Siksika # 146, AB	Petrobank Serc Jumpbush	09-20-20-21W4	Gas	810
Siksika # 146, AB	Petrobank Serc Jumpbush	11-22-20-21W4	Aban	794
Siksika # 146, AB	Petrobank Serc Jumpbush	16-30-20-21W4	Gas	850
Siksika # 146, AB	Petrobank Serc Jumpbush	06-31-20-21W4	Gas	851
Siksika # 146, AB	Petrobank Serc Jumpbush	08-31-20-21W4	Aban	1515
Siksika # 146, AB	Petrobank Serc Jumpbush	14-31-20-21W4	Gas	873
Siksika # 146, AB	Petrobank Serc Jumpbush	07-34-20-21W4	Gas	810
Siksika # 146, AB	Petrobank Serc Shouldice	11-13-20-22W4	Gas	1518
Siksika # 146, AB	Petrobank Serc Shouldice	07-26-20-22W4	Gas	1523
Siksika # 146, AB	Petrobank Serc Shouldice	16-36-20-22W4	Gas	1313
Siksika # 146, AB	Petrobank Serc Bassano	08-04-21-19W4	Gas	1165
Siksika # 146, AB	Petrobank Serc Bassano	2/08-05-21-19W4	Gas	720
Siksika # 146, AB	Petrobank Serc Bassano	09-02-21-21W4	Aban	795
Siksika # 146, AB	Petrobank Serc Gleichen	08-05-21-21W4	Gas	820
Siksika # 146, AB	Petrobank Serc Gleichen	12-08-21-21W4	Gas	821



drilling summary-first nation interest wells 2003-2004

Reserve	Well Name	Location (Surface)	Status	Total Depth(m)
Siksika # 146, AB	Petrobank Serc Gleichen	16-06-21-21W4	Gas	1297
Siksika # 146, AB	Petrobank Serc Shouldice	06-01-21-22W4	Gas	852
Siksika # 146, AB	Petrobank Serc Shouldice	14-01-21-22W4	Gas	850
Siksika # 146, AB	Petrobank Serc Shouldice	16-01-21-22W4	Gas	850
Siksika # 146, AB	Petrobank Serc Shouldice	08-02-21-22W4	Gas	1517
Siksika # 146, AB	Petrobank Serc Shouldice	06-12-21-22W4	Gas	848
Siksika # 146, AB	Petrobank Serc Shouldice	08-12-21-22W4	Gas	851
Siksika # 146, AB	Petrobank Serc Shouldice	14-12-21-22W4	Gas	851
Siksika # 146, AB	Petrobank Serc Shouldice	16-12-21-22W4	Gas	846
Siksika # 146, AB	Petrobank Serc Shouldice	06-13-21-22W4	Gas	858
Siksika # 146, AB	Petrobank Serc Shouldice	11-13-21-22W4	Gas	857
Siksika # 146, AB	Petrobank Serc Shouldice	16-13-21-22W4	Gas	847
Siksika # 146, AB	Response Serc Blackfoot	10-13-22-24W4(9-13)	Gas	1603
Siksika # 146, AB	Response Serc Blackfoot	05-29-22-23W4	Gas	1714
Siksika # 146, AB	Tusk Serc Bassano	08-28-20-20W4	Gas	1420
Siksika # 146, AB	Vel Bassano	3/09-28-20-20W4	Aban	1447
Stoney # 142,143,144, AB	Olympia Jumpw	06-02-26-06W5(10-35)	Gas	2420
Stoney # 142,143,144, AB	Olympia Jumpw	05-25-25-06W5(8-26)	Gas	2455
Stoney # 142,143,144, AB	Olympia Jumpw	05-36-25-06W5	Gas	2450
Stoney # 142,143,144, AB	Suncor Chiniki	06-36-24-08W5(2-36)	Aban	3395
Stoney # 142b, AB	Pc8-25dr Wildcat Hills	03-30-27-06W5(8-25)	Gas	2500
Sunchild # 202, AB	Brcl Ferrier	13-27-42-10W5(16-28)	Gas	2995
Sunchild # 202, AB	Brcl Ferrier	11-01-43-10W5	Gas	2795
Sunchild # 202, AB	Brcl 102 Ferrier	2/08-13-43-10W5	Gas	2735
Swampy Lake # 236, AB	Storm Loon	02-18-85-09W5	Aban	1545
Swampy Lake # 236, AB	Storm Loon	09-01-85-10W5	Aban	1560
Swampy Lake # 236, AB	Storm Loon	16-22-85-10W5	Gas	1523
Swampy Lake # 236, AB	Storm Loon	02-17-86-09W5	Oil	1510
Thunderchild # 115m, SK	Bonavista Makwa Dd	121/03-36-59-23W3	Gas	440
Tsuu T'ina # 145, AB	Extreme Sarcee	04-30-23-03W5	Cased	2270
Unipouheos # 121, AB	Husky 2a Frog Lake	02-29-56-03W4	Oil	490
Unipouheos # 121, AB	Husky 14c Frog Lake	2/14-17-56-03W4	Oil	501
Unipouheos # 121, AB	Husky 5a Frog Lake	05-16-57-03W4	Oil	528
Unipouheos # 121, AB	Husky 6b Frog Lake	06-16-57-03W4	Oil	484
Unipouheos # 121, AB	Husky 6c Frog Lake	3/06-16-57-03W4	Oil	460
Unipouheos # 121, AB	Husky 8a Frog Lake	4/08-17-057-03W4	Oil	472
Unipouheos # 121, AB	Husky 8c Frog Lake	2/08-17-57-03W4	Oil	476
Unipouheos # 121, AB	Husky 8d Frog Lake	3/08-17-57-03W4	Oil	520
Unipouheos # 121, AB	Husky 8b Frog Lake	5/08-17-57-03W4	Oil	426
Unipouheos # 121, AB	Husky Lind	12-20-056-03W4	Oil	517
Unipouheos # 121, AB	Husky 3a Frog Lake	03-23-56-03W4	Oil	473
Unipouheos # 121, AB	Husky Lind	03-27-056-03W4(6-27)	Oil	517
Unipouheos # 121, AB	Pvr 11c Frog Lk	2/11-30-56-02W4	Oil	581
Unipouheos # 121, AB	Pvr 14b Frog Lk	14-27-56-03W4	Oil	547
Unipouheos # 121, AB	Pvr 2a Frog Lk	02-28-56-03W4	Oil	545
Unipouheos # 121, AB	Pvr 2a Frog Lk	02-33-56-03W4	Oil	564
Unipouheos # 121, AB	Pvr 6c Frog Lk	06-34-56-03W4	Oil	531
Unipouheos # 121, AB	Pvr 2d Frog Lk	02-04-57-03W4	Oil	594
Wabasca # 166, AB	Atlas Hz Brint	13-06-80-22W4	Oil	3155
Whitefish Lake # 128, AB	Tusk Keyano Ashmont	11-08-61-12W4	Gas	599
Whitefish Lake # 128, AB	Tusk Keyano Ashmont	07-19-61-12W4	Gas	612
Whitefish Lake # 128, AB	Signalta Crgnd	14-02-62-13W4	Gas	516
White Bear # 70, SK	Har Wbog Big Marsh Hz	91/07-23-09-03W2(15-14)	Oil	2025



IOGC Operations

Planning and Corporate Services (PCS) is comprised of four groups headed by the Director, Planning and Corporate Services. PCS's key responsibilities include provision of essential corporate services that relate to administrative policy, human resources, finance, contracts and administration. The unit also manages and coordinates planning for the organization resulting in a Regional Management Plan.

Policy Group

This group maintains a strategic role in the following:

- ▶ Development of corporate administrative policies
- ▶ Coordination of the approval of new administrative policies and changes in existing policies

Human Resources Group

The principal responsibilities of this group are:

- ▶ The provision of complete personnel services to IOGC senior management and employees
- ▶ Administration of the special human resources classification and other programs required by IOGC as an organization with separate employer status
- ▶ Training and development
- ▶ Recruitment and staffing
- ▶ Staff relations and compensation

Contracts and Administration Group

This group provides IOGC with a variety of administrative services, including:

- ▶ Contract administration
- ▶ Maintenance of central records
- ▶ Facility management
- ▶ Purchasing
- ▶ Security
- ▶ The handling of access to information requests
- ▶ Maintenance of a resource library

Finance Group

This group is responsible for:

- ▶ The provision of complete corporate financial service to IOGC in the areas of accounting operations, financial systems, budget allocation, management variance reporting and funding to pilot First Nations for oil and gas initiatives
- ▶ Administration of the decentralized IOGC budget
- ▶ Collection and processing bonus, lease and royalty payments to First Nations trust accounts through IOGC's Resource Information Management System (RIMS)

Planning and Corporate Services Update

The Planning and Corporate Services (PCS) unit had a very busy year, with 33 staffing actions. At this time, Aboriginal employees represent 44 percent and Visible Minorities represent seven percent of the IOGC employee population. Six external staffing processes resulted in the appointment of four new Aboriginal employees. It should be noted that a new Term Policy was approved by IOGC in January 2004 and resulted in five employees gaining indeterminate status because they had been in their positions for three years or more.

IOGC's service contracts were up 32 percent from the previous fiscal year with over \$85,000 in service expenditures being handled by Aboriginal firms.

Two employees received the Queen's Golden Jubilee Award through a special presentation ceremony in June, 2003.

Thirteen employees received service awards during 2003-2004.



IOGC financial operations 2003-2004

Funding

2003-2004 Budget Allocation	\$10,147,281
Total Funding	\$10,147,281

Expenses, Contributions & Transfers

Expenses

Salaries		\$4,943,956
Operations & Maintenance		
Inventory Management Services	75,356	
Environment	46,342	
Negotiations (Disposition & Amendment)	57,633	
Agreement Management	45,378	
Compliance	701,619	
Royalty Management	776,421	
Operations Policy & Communications	41,315	
Corporate Management	793,522	
Informatics	173,389	
Direct Operations, Planning	271,215	
Legislative/Regulatory	165,604	
IOGC Board	2,666	
Pilot	121,196	
Other	58,963	
Total Operations & Maintenance		\$3,330,619

Contributions & Transfers

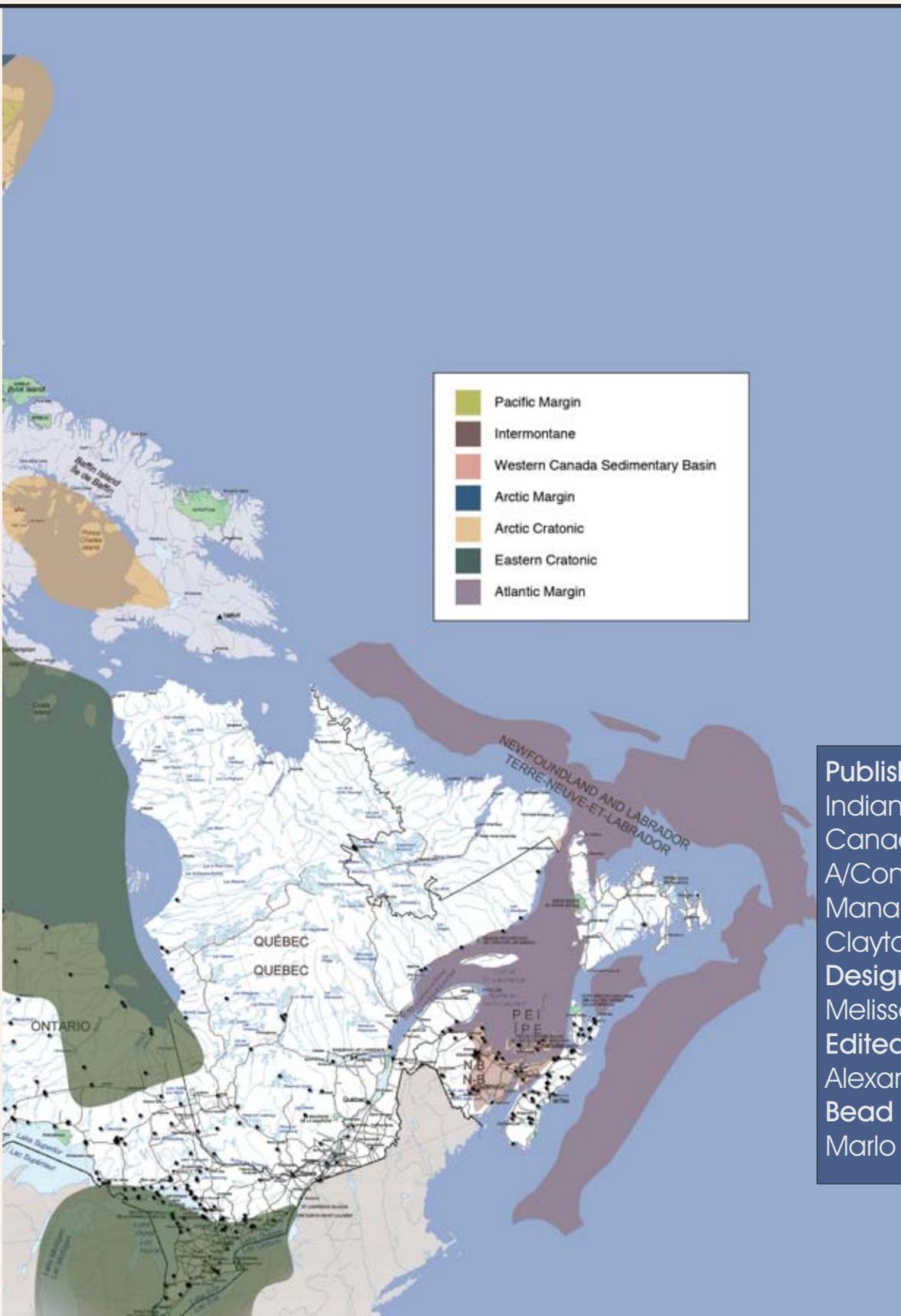
IRC - Partnership	300,000	
- IOGC Board	75,000	
- Other IRC Projects	7,000	
First Nations Oil & Gas Management Initiative	1,224,318	
Contingency (20%) - O&M to Salary Transfer	66,365	
Other Contributions & Transfers	65,650	
Total Contributions & Transfers		\$1,738,333
Total Expenses, Contributions & Transfers		\$10,012,908

Surplus/Deficit	\$134,373
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Revenues Collected on Behalf of First Nations

Royalties	\$190,905,426
Bonus	\$9,334,773
Compensation and Rentals	\$10,409,264
Total Revenues Collected on Behalf of First Nations	\$210,649,463





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