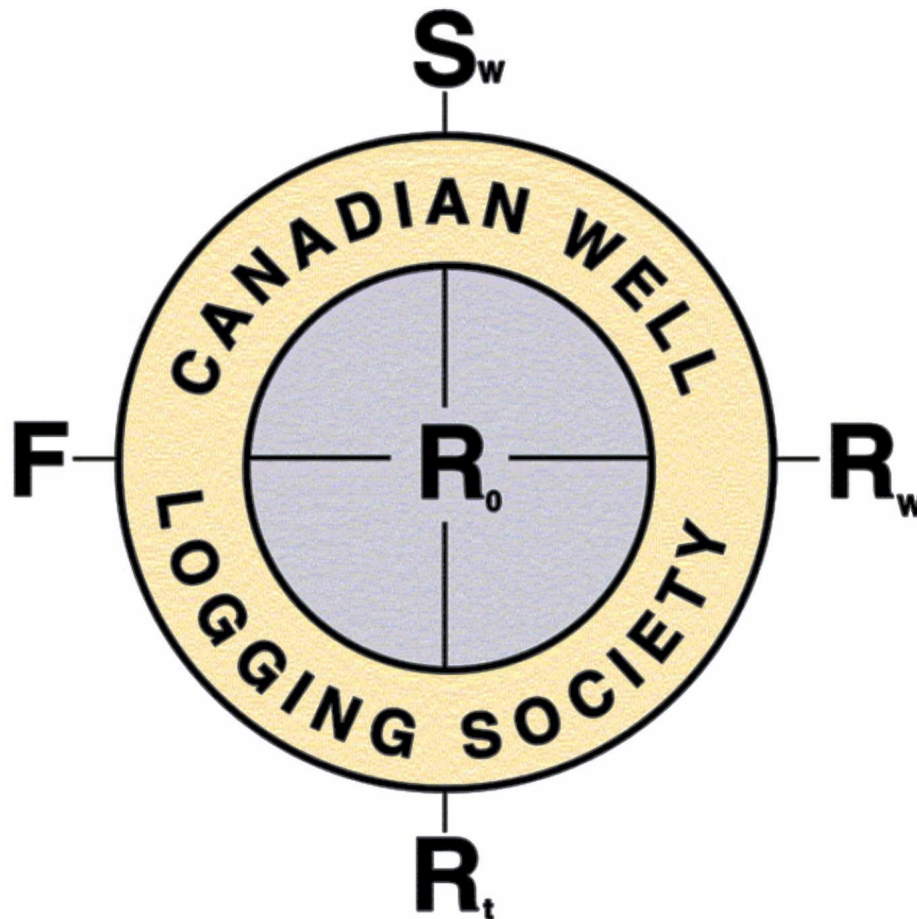


**2007 – 2008
CWLS Annual Report
February 19th, 2008**



Canadian Well Logging Society

The President's Report

The CWLS has had a very active and successful 2007. Over the past year, the CWLS held 9 technical luncheons of which 2 were sold out, awarded 2 scholarships, published 4 InSite magazines, increased student membership by 64 and overall membership by 118. Our membership now stands at 712. We have also totally revamped the CWLS.org website leading to improved functionality for members.

These successes have been made possible by the many volunteers who contribute their time, effort and expertise to make the CWLS work.

The CWLS executive set 2 priorities in 2007:

**Add value for the CWLS membership and Formation Evaluation community
Be actively involved in planning for the future of our profession**

To add value for our members and the FE community, we have agreed to participate every year in the CSPG/CSEG/CWLS convention, rather than every second year, which will require more effort, but will result in more reward. We continue to work with the provincial governments to guide log data submission standards, with Saskatchewan accepting the LAS/TIFF formats for paperless submission this year. The core and Rw databases that are maintained on the CWLS.org website are used by many industry professionals and we have just purchased new hardware and software to make the website more useful. The InSite magazine continues to be published quarterly and is an active forum for FE expertise. Nine technical lunches were held this year and were well-attended with a few sold out. These monthly technical luncheons are a great forum for both networking and professional development. Although these luncheons are the single biggest expense for the CWLS, they effectively break even with ticket sales.

The CWLS has been actively involved in planning for the future of our profession. We have increased the manpower in our Student Liaison Committee from 1 member to 4 this year, and we are looking for more volunteers for this important function. This Committee's role is to promote the CWLS in the universities, at both graduate and undergraduate levels. The CWLS has partnered with the University of Calgary's Petroleum and Energy Society, and with this has added over 100 new student members to date. We also provided speakers for their monthly meetings, and granted financial support for the club's industry field trips.

The CWLS announces yearly awards for engineering and earth sciences undergraduate and graduate students in Canada. In 2007, it was a real pleasure to present a \$5000 award to Yanping Niu, whose University of Calgary graduate thesis "*Determining the Content of Bitumen, Water and Solids in Oil Sands Ore using Low-field Nuclear Magnetic Resonance*", was excellent. A \$2000 undergraduate award was presented to Chad Glemser for his MSc. thesis proposal "*Petrophysical and Geochemical Characterization of Carbonate Hydrocarbon Reservoirs using Synchrotron Microtomography*".

The efforts to inform and attract students to our profession has really paid off, not only with more awards (\$0 in 2005, \$2000 in 2006 and \$7000 in 2007) but with an increased membership.

The CWLS continues its involvement with the CFES (Canadian Federation of Earth Sciences) which is an umbrella organization for the many earth science societies in Canada. We believe that by supporting the CFES, we will increase the exposure of our profession in the schools and universities. We also participate in APEGGA's Geoscience Committee.

The CWLS is continuing to improve the functionality of the CWLS.org website. In the last 3 years, approximately \$75,000 has been spent on this site, which equates to a little more than \$40 per member per year. The site has gone from just a poster 4 years ago to an interactive site today with Core and Rw databases, past publications, technical luncheon sign-up and membership renewal, a place where the membership can provide and update their information and for the executive to manage many of the CWLS activities. This site continues to be improved and we welcome input from members.

The CWLS continues to be financially strong with both corporate and individual membership support. Participating in the CSPG/CSEG/CWLS conventions every year should bring in additional revenues. Some costs have come down, such as our publishing expenses, however most other costs have gone up. Earlier this year, the executive voted to increase both the cost of membership dues and tickets for technical luncheons. This was not only an increase to cover rising expenses, but also due to our commitment to increase the value of CWLS membership to all members by providing increased functionality of the CWLS.org website and to continue to hold excellent technical luncheons.

Continued on next page

The President's Report

2007 has been a successful and rewarding year. In 2008, as "Past President", I will be supporting the incoming President, Roy Benteau, as well as soliciting CWLS executive candidates for next years' election. Please contact me if you are interested in volunteering your time keeping this organization active. Once again, it was a pleasure working with the current executive and volunteers and I would like to thank the membership for allowing me to serve you as President this last year!

Jeff Taylor, P.Eng.
President

The Vice President's Report

It's hard to believe that a year has gone by since I threw my hat into the ring for the CWLS Executive and was elected Vice President. I was just hoping things would start flowing together and now it's time to portage. The executive and the many other volunteers have worked hard this year to keep the ride smooth and going upstream.

The Primary duties of the CWLS Vice President are:

- Organize and find speakers for the monthly technical luncheons
- Organize short courses or other special technical meetings
- Organize the Fall Social
- Organize the Annual General Meeting

In addition this year the Vice President's duties were expanded to include representing the CWLS on the Joint Annual Convention Committee (JACC) with the CSPG and CSEG. The CWLS has agreed to participate in the Joint Convention on an annual basis and this event will consume a lot of effort but produce technical papers and courses and as in the case of the CSPG be the largest single source of revenue for the CWLS.

Luncheon talks this year were:

- March - Dipmeter Application in Oil Sands – Evolution From Predicting Block Slides to 3D Geological Interpretation and Modeling (Milovan Fustic – Albion/Shell (now with Nexen Inc.). 201 attendees.
- April - Shale Gas Log Analysis (Salman Khalid – ID Petrophysics DCS-CAN Schlumberger). 153 attendees.
- May - An Alternative Approach to Find VSHALE – Handling the Influence of Clay Minerals on Estimates of Porosity and Permeability (Robert (Bob) V. Everett – Petrophysical Consultant). 211 attendees.
- June – GeoMechanical Wellbore Imaging: Key to Managing the Asset life Cycle (Colleen Barton Ph.D. - Senior Technical Advisor and Co-Founder GeoMechanics International Inc.). 145 attendees.
- September – Calibrating Permeability in Reservoir Models of Complex Carbonate Systems using PLT logs (Michael J. Sullivan – Petroleum Engineer, Chevron). 158 attendees.
- October – Determining the Content of Bitumen, Water and Solids in Oil Sands Ore Using Low-field Nuclear Magnetic Resonance (Yanping Niu – Petrophysicist, Petro-Canada). 147 attendees.
- November – Detailed Casing Inspection using Magnetic Flux Leakage Technology (Munir Sharar, P.Eng. – Weatherford Engineering and GeoSciences). 92 attendees.
- December – The Facts on the Demographic Changes in the Oil and Gas Industry in Alberta (Len Shrimpton, P.Eng.,MBA – Director, Internal Affairs, APEGGA). 61 attendees.
- January – A Through-Casing Resistivity Field Trial in Alberta, Canada (Jos Jonkers – Weatherford) 169 attendees.

Early in 2007, I read in “The SPWLA Journal - Petrophysics” an article documenting a “Round Table Discussion” called: “Staying Ahead of the Curve”. It discussed recent developments, demographics, data integration and management, well planning, LWD and the future in the context of the fast changing face of petrophysics. I tried to use their template to get ideas for luncheon talks and I thank all the speakers for their hard work and making the program a success. We continued the practice of having a door prizes draw at the luncheons and I thank all the companies and individuals who made this practice so much fun. My special thanks goes to Vern Mathison, Treasurer who at every event picked up tickets at the CWLS office and manned the entrance table. Also, I have to thank Jeff Taylor, President for providing the leads, which resulted in the spring luncheon talks.

I was very pleased with the venue of the luncheon talks this year as the Palliser has provided consistently better food than any other technical luncheon that I attend and with better service and on-site flexibility. The largest problem is that they will not confirm a booking until 45 days before the event and they need 3 day advance confirmation of the head count for the luncheon. Many luncheon dates and rooms were switched before the confirmation date this year and guessing the guaranteed head count provided additional stress. Attendance was down 15% at the luncheons from last year primarily due to lower attendance in November and December. We are all working harder and have less free time so the new executive will be challenged to reverse this trend.

The Fall Social was a success in that the Palliser provided great and abundant food and superb views from the penthouse but it was not well attended. We raised \$450 for the Children's Cottage and managed to schedule the event to avoid timing conflicts but this event needs a major re-think. The event definitely needs a dedicated organizer and format change to attract members.

I am looking forward to the Annual General Meeting as I believe Jeff MacInnis will give an excellent presentation and the Crystal Ballroom at the Palliser is the right venue. I believe we have a number of good leads for luncheon presentations to help the new executive but we are always looking for speakers, particularly case studies from operating companies. Thank you to everyone that supported the society either by volunteering or participating this year and I look forward to working with you in the coming year.

Roy Benteau

The 2007 Publications' Report

The past year has been a very productive yet challenging year for Tyler Maksymchuk and Kelly Skuce in Publications.

Some of the main accomplishments achieved were:

- Publishing four InSite Newsletters (March, June, November, and December 2007)
- Helping to expand the website with our new provider.
- Added a new printer for the CWLS publication in Little Rock Document Services.
- The retirement of our advertising coordinator, Mike Eddy, after two and half years.
- Added to the digital library of past CWLS publications.

The newsletter once again has maintained its feel and continues to see many quality non-peer reviewed papers and content. This past year we have continued the technical content and quality, and have shown the publication as an excellent medium for dispersing new ideas, technologies and understandings to our membership base. As maintained in previous years, the plan was to publish the newsletter four times per year in place of the bi-annual Journal and in keeping with our predecessors we have accomplished that goal for the 2007 year.

With the industry going through very many changes over the past year, it will remain increasingly difficult to find volunteers to write papers for the InSite and we would strongly encourage the membership to contribute to this publication to continue making it the success it is.

As with everything in the province of Alberta, our continued success has gone through a few unexpected changes this past year and we would like to take this opportunity to thank long standing Advertising Coordinator Mike Eddy for his time with the CWLS. Mike has helped the Co-editors of the CWLS InSite for quite some time and this year he has decided to take some deserved time off of this role. Mike will continue his membership with the CWLS but will no longer be looking after the advertising for the InSite. We also welcomed the services of our new printer, Little Rock Document Services. Rick Kroeker and his staff at Little Rock have done a fantastic job this past year at getting our publication to our members and we would like to thank both groups very much for the hard work. Historically advertising helps offset printing costs and the InSite is a great means for vendors to reach our members, so please keep the newsletter in mind when you are planning your advertising campaign for 2008. We have many good spaces always available and our advertising rates for the upcoming year can be obtained by contacting either of our Publication Chairs, or our new Advertising Coordinator, Tyler Maksymchuk, at 261-1258 (tyler.maksymchuk@apachecorp.com).

We would also like to once again express our Thanks to Sherry Mumford at Connections Desktop Publishing Ltd. Her service continues to be first class and we thank her for her efforts over the last year at our every beck and call.

The following papers were published in the InSite this year:

- Acquiring Density Data in Elongated, Directional Boreholes Drilled through Stressed Formations of Western Canada. Courtesy of Barry L. Johnson and H.S. Hovdebo.
- Low Permeability Gas Reservoirs – How Low Can you Go? Courtesy of Mike Miller, Bob Lieber, Gene Piekenbrock and Thal McGinness.
- Microseismic Monitoring with Borehole Tools on Fiber-Optic Wireline. Courtesy of Ulrich Zimmer and Shawn Maxwell.
- Determining Coal Gas Content using Mudlogging Methods. Courtesy of William S. Donovan.
- Borehole Petrophysical Geology in a University Curriculum. Courtesy of John H. Doveton.
- A Through Casing Resistivity Field Trial in Alberta, Canada. Courtesy of Jos Jonkers and Ingo Geldmacher.

Along with the authors and papers just listed, many people have contributed to the InSite over the past year. Such people supplied us with the light-hearted As the Winch Turns articles or any one of the various Tech Corners. We would like to take this opportunity to express our appreciation and to thank each of them. Whether you are a quarterly contributor or a proof reader, we appreciate your efforts: without your contributions the InSite would not be the high quality publication it is.

The website has also continued to evolve quite well and will remain an executive group effort. Over this last year we have done a great deal of work on the back end and behind the scenes infrastructure of the site. The improvements added now will allow future executive and members the ability to improve, add, or change the site as needed. There continues to be pages for upcoming industry courses, industry employment, and LAS and TIFF standards. The luncheons and upcoming events page provides the membership with details on what the society has planned as well as having the ability to purchase your luncheon tickets online. If you have missed an issue of the InSite or would like another copy, a high-resolution copy can be downloaded from the publications page. You will also find the annual report posted from the previous year as well. Be sure to take some time to visit www.cwls.org and explore the website and feel free to offer your feedback or suggestions for change to anyone of the executive members.

The 2007 Publications' Report

The CD archive project is still in existence and if you would like CD's, they are available from the CWLS office. Details on how to purchase the CD can be found on the CWLS webpage or call the friendly office staff at 403-269-9366. The CD Archive project consists of 611 CWLS papers published between 1951 and 2000 and this CD includes software that enables the user to search these PDF documents by title or keywords.

The four InSite Newsletters, the preparation for the upcoming CSPG-CSEG-CWLS Back to Exploration conference and continual maintenance of the website have made 2007 a very successful and demanding year for Publications and all executive members. With continuing contributions from the membership, 2008 will be just as successful.

Tyler Maksymchuk
Kelly Skuce
Publications Co-Chairs

Membership Chair Report

What a year the Society has had. The regular and student membership grew to new levels. With the vigorous efforts of the CWLS office support staff (who do most of the heavy lifting which we are most grateful for), membership lists and contact information was maintained and updated. This work enables the society's message to get out. Of course, those members who logged in and successfully navigated the sometimes cryptic CWLS website to the "Profile" link were able to update their own member information.

The society is compliant with Federal and Provincial legislation which aims to preserve and protect the privacy of member information. This is outlined in our Privacy Policy which you may have read at our website or on our current application/renewal forms. Among other provisions, this means we don't share our member contact information with third parties or use it for purposes other than the CWLS activities for which it is collected.

This report is being written at the time of annual membership drive, where, assisted by the rest of the CWLS executive, member, corporate and student are contacted and encouraged to renew their membership and further recommend the CWLS to their contemporaries as they may see fit.

Growing the CWLS community serves to enrich your network.

How to renew ? Self-serve list via web (www.cwls.org), over the phone with CWLS office staff, by mail or for those many members who find themselves often in downtown Calgary, in person at the CWLS office (which is within the APEGGA office).

And so in 2007 you have joined, renewed and engaged in numbers ...

The society membership exited 2007 with:

582 Regular members

17 Honorary members

24 Senior members

89 Student members

and

26 registered corporate members.

I enjoyed serving the membership and working with the rest of the CWLS executive team in the current year term. I trust the incoming Membership Chair will receive your support and return in kind.

Gordon Uswak P. Eng.
Membership Chair

(www.cwls.org/memberships)

The Secretary's Report

95% of the CWLS members receive CWLS technical luncheon notice and special events announcement via e-mail. If you are member and have not been receiving electronic notices, your contact information may be outdated, please logon to the CWLS website and update your membership information or call CWLS office. Snail mail notices are available upon request.

We mail out the InSite magazine to every active member as well. We use the mailing address you provide us for all our mail outs. If you have not receiving your copy of InSite magazine, please call CWLS office or visit our website to update your mailing information.

The CWLS website is an excellent reference if you are looking for latest information on technical luncheons, special event announcement and publications. I encourage everyone to add www.cwls.org on their list of favourites.

Thanks to Executive team and CWLS office staff for their support, dedication and hard work over the last past year!

Finally, it was a great pleasure to serve as CWLS Secretary for 2007-2008, it is truly rewarding experience! I would like to thank everyone for giving me this opportunity to serve you.

Congratulations 2008-2009 Executive Committee, May you have a great year ahead!

Cindy Guan
Secretary

The Chair of Committees Report

The main role of Chair of Committees is to assist in the establishment of committees and report on their progress. I'd like to report on the progress of the most active CWLS committees.

In the past the Student Liaison Committee consisted of one volunteer. It was his role to promote CWLS at the graduate university level with the purpose of acquiring new CWLS member recruits and obtaining graduate level student scholarship applications.

To assist and expand on the role of the Student Liaison Committee, 3 new members have signed up. This committee's role has now been expanded to include student outreach objectives at the undergraduate level. They are in the process of networking with other societies with outreach programs in place such as the Canadian Federation of Earth Sciences, the Canadian Petroleum Discovery Centre, the Petroleum Human Resources Council of Canada, CSEG, CSPG and APEGGA. The future of the CWLS lies in the recruitment of new members who will carry on the tradition.

The long standing LAS Standard Committee has succeeded in defining a LAS 3.0 standard. The need for this new standard is ever increasing thanks to the rapid advancements of modern logging tool capabilities. The EUB has yet to adopt this standard but the more it is adopted voluntarily, the more likely the board will be convinced.

The Speaker Evaluation Committee has been reviewing our luncheon speakers since 1996. They present their findings to the CWLS Executive who invariably accept their recommendations. This committee's experience and impartiality is of great value to the CWLS to provide an impartial luncheon speaker review to the Executive.

With the invitation for CWLS to participate next year and every year in the CSPG/CSEG/CWLS Joint Convention our need for volunteers will increase. This is a good problem to have since this joint convention is an important source of exposure, recognition and revenue for this society.

Regards
Greg Schlachter
2007 CWLS Chair of Committees

The Treasurer's Report

The accompanying Profit & Loss Statement and Balance Sheet reflect the financial position of the Canadian Well Logging Society (CWLS) for the year ended December 31, 2007. Peter Kubica (Past-President), Jeff Taylor (President), and Roy Benteau (Vice-President), all members of the CWLS in good standing, in accordance with the CWLS by-laws, have reviewed the financial reports.

The net income was a loss of **\$48,976** for the 2007 year. The society received revenues from membership dues, technical luncheons, publications, symposiums and sponsorships.

Membership

The membership dues are allocated to pay general office expenses, support the fall social and to subsidize, publications and the cost of the AGM. Membership income has risen from \$17,849 in 2006 to \$23,864 for 2007 with the addition of new members.

As of January 2008 APEGGA office rates increased 30% which are in line with current Calgary rates. Dues will increase by \$10.00 for members and non-members for the March 2008 renewals to help offset expenses. The CWLS still offers the lowest dues of any petroleum society in Calgary.

Technical Luncheons

The luncheons are priced to be self-supporting and to generate revenue if attendance is strong. Lunch prices remained unchanged for 2007 and the society subsidized the difference. Average attendance for 2007 was 120 people and this is well below "break even". In January 2008 the executive voted to raise luncheon prices by \$5.00 for both members and non-members, students remain free. The challenge the executive faces is to attract a minimum of 144 people per lunch with more technical talks and better advertising.

Fall Charity Social

The Fall Charity Social is a fully subsidized event with revenue from ticket sales contributed to charity. The cost for the 2007 event was \$3734. This is an increase of 9% from the previous year of \$3412. The Fall Charity Social provides an opportunity to network with colleagues and renew acquaintances. Attendance was down slightly from last year from 48 people to 44 people. We collected \$460 that was subsequently donated to the Children's Cottage Society. Discussions continue on how to improve this event

CWLS.ORG Web site

The web site underwent major changes this past year. The server and maintenance providers were moved to one company and upgraded to allow more functionality. This project was completed and rolled out in November 2007 at a total cost of \$19957. The improvements will allow for easier on line lunch booking and a more user friendly system.

Annual General Meeting

The AGM is funded through ticket sales and sponsorship. A major expense is the speaker's fee that has to be covered from general revenue. The 2007 Annual General Meeting operated at a cost of \$19,522. This is \$2,112 less than last year mostly due to the lower cost of our speaker and venue.

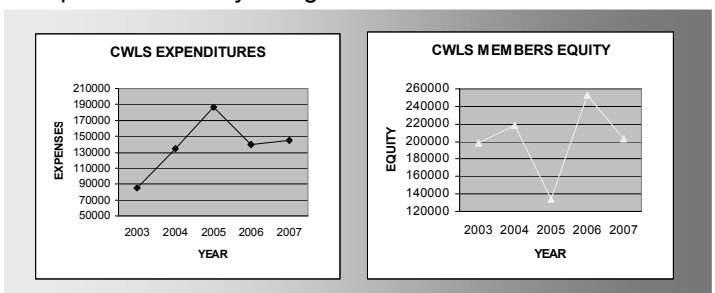
Publications

As predicted last year, revenue from the sale of the RWCD and Publications dropped again from \$1,343 to \$132. This data is now readily available on our web page to members in good standing at no cost.

Three InSite magazines in 2007 were published at a deficit of \$15,927. This is a reduction of \$13337 over last year due largely to a new printer. Ad revenue is down again from \$5,550 in 2006 to \$1,625 for 2007. This is mainly due to how advertising revenues are recorded in the P&L statement.

Summary

2007 has been a challenging yet very rewarding year. For the executive the moving and upgrading of the website provider produced many obstacles to overcome. Looking back on the year, I can proudly say that our Society is financially strong. Adding value to the membership is the ultimate goal and is always the focus of our discussions. I wish you all success within 2007 and I hope to service you again in the future as an



executive within this society.

The Canadian Well Logging Society
Profit and Loss Statement 2007

INCOME	<u>2006</u>	<u>2007</u>
Interest	7,202	10,018
AGM Revenue	5,364	9,810
Total Meeting Revenue	52,635	47,503
Total Ad Revenue/Web & Insite	5,550	1,625
Total membership	17,849	23,864
Special Core Database Sponsorship	0	0
Total Publication Sales (Journals,Rw Cata-logs,RWCD's)	1,343	132
Other Revenue/Gain-Loss on Securities	17	2,478
Prod Course (2005) / CWLS-SPEG joint conference	6,415	94
Joint Conference	160,830	0
Gross Income	257,205	95,524
EXPENSES	<u>2006</u>	<u>2007</u>
Joint Conference Expenses	14,233	2,780
Donation/ 2006 Joint Symposium seed money	80	80
Special Core Database	0	0
Total Meeting Expenses	47,934	50,532
Student Awards	2,000	7,343
Election Expenses	237	2,160
AGM Expense	21,634	19,522
Total Publications (Includes Insite Magazine)	23,371	15,927
Total Office Expense	23,680	21,071
Web Page	6,165	25,071
Bank Charges	36	14
Total Expense	139,370	144,500
NET INCOME	117,835	(48,976)
Member's Equity at beginning of year	134,619	252,454
Member's Equity at end of year	252,454	203,478

Balance Sheet 2007

ASSETS	<u>2006</u>	<u>2007</u>
<i>Current Assets</i>		
Chequing /Savings	141,267	33,329
Cash Box	170	170
Accounts Receivable	0	1367
Undeposited Funds	0	0
Inventory Asset	1,550	1550
Prepaid Expenses	1,500	0
Term Deposits	126,820	176,579
TOTAL ASSETS	271,307	212,995
LIABILITIES & EQUITY	<u>2006</u>	<u>2007</u>
<i>Current Liabilities</i>		
Accounts Payable	12,610	10,797
Accrued Payables	5,332	0
Unearned Revenue	2,280	0
GST	(1,369)	(1,280)
TOTAL LIABILITIES	18,853	9,517
Member's Equity	252,454	203,478
TOTAL LIABILITIES & EQUITY	271,307	212,995

Canadian Well Logging Society Executive 2007 - 2008

PRESIDENT

Jeff Taylor
Nexen Inc

PAST PRESIDENT

Peter Kubica
Petro-Canada

VICE PRESIDENT

Roy Benteau
EOG Resources

TREASURER

Vern Mathison
Weatherford

SECRETARY

Cindy Guan
Petro-Canada

MEMBERSHIP CHAIR

Gord Uswak
Encana Corporation

PUBLICATIONS CO-CHAIRS

Kelly Skuce
Conoco Phillips

Tyler Maksymchuk
Apache

CHAIR of COMMITTEES

Greg Schlachter
Schlumberger

Canadian Well Logging Society 2007 – 2008 Committees

STUDENT LIAISON COMMITTEE

Greg Schlachter
Mike Seifert

Chris Ayadiuno
Louis Chabot

SPECIAL CORE DATABASE COMMITTEE

Taras Dziuba

CWLS BY LAW REVIEW COMMITTEE

David Greenwood

SPEAKER EVALUATION COMMITTEE

Carlos Rosito
Jim Jarvis
Larry Song

Jim Early
John Gilroy
Mark Duckeck

LAS FILE COMMITTEE

Jim Karst

Kenneth Heslop

RETURNING OFFICER

David Reed

Canadian Well Logging Society Office Staff

Andrea Silverthorn, Asley Pessell, Becky Windley, Kate Handford, Susan Durksen

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