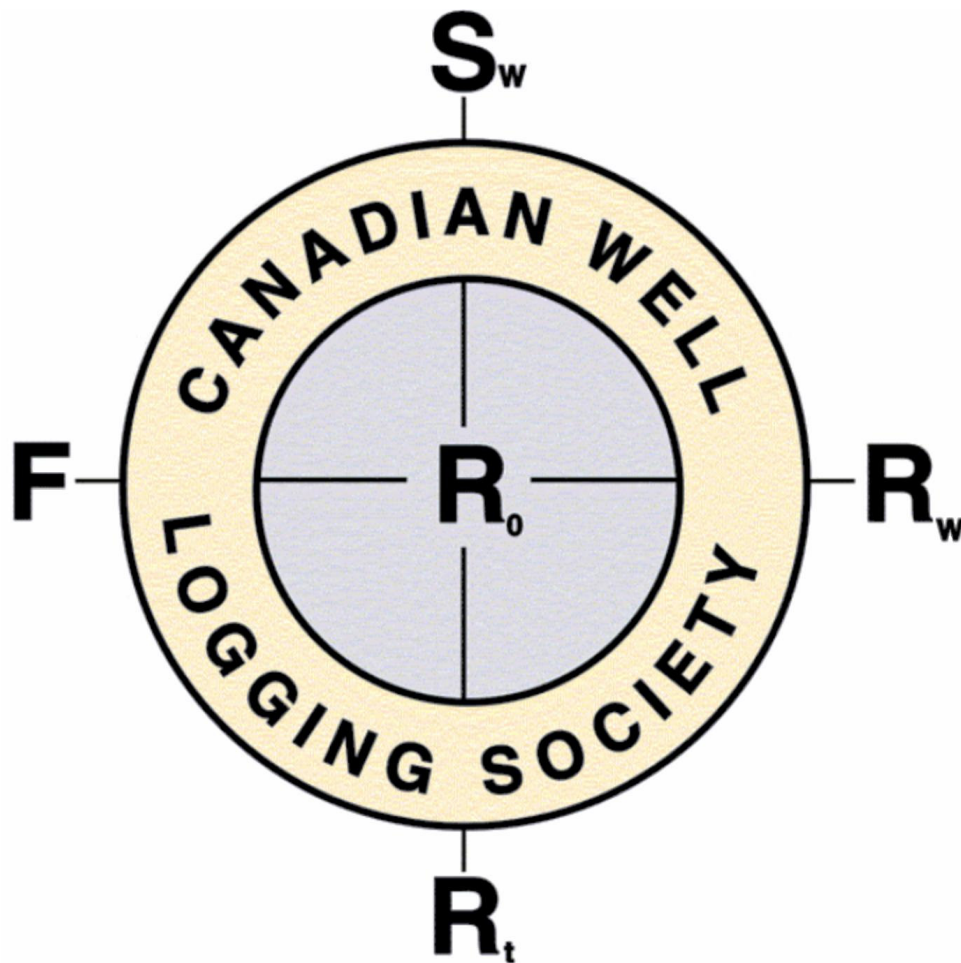


2006—2007
CWLS Annual Report
February 13th, 2007



Canadian Well Logging Society

The President's Report

The highlight of our activities in 2006 was our active participation in the CSPG-CSEG-CWLS joint annual convention. A number of CWLS members volunteered in organizing the convention and substantially contributed to its success. There were four Formation Evaluation related sessions and six short courses – all highly attended. In fact, some of the courses were booked to capacity due to the limited space availability.

The joint convention was also a significant financial success for our society. CWLS share of the net revenue amounted to over \$160,000. This is a major contribution to our treasury that will provide us with financial flexibility into the future.

Another significant initiative was the joint SPWLA-CWLS Fall topical conference on stress analysis at Kananaskis Lodge. Four of our members were on the organizing committee, with more CWLS members participating and making presentations. This was a great opportunity to be able to hear and interact with experts in this field from all over the world. This topical conference also provided an opportunity to re-establish closer working relations with SPWLA. CWLS share of the profit was given to the SPWLA Student Trust fund for awards and scholarships.

Our website was further enhanced by enabling on-line registrations for lunch talks and membership renewal. While we were having some technical difficulties with the functionality we have no doubts that the website operation is the way of the future.

We have received a number of applications for the student awards and examined their connection to Formation Evaluation. After the careful consideration of the thesis proposals one \$2000 award was presented to E. Bianco from U of A. We are making steps to widen our exposure to the universities through website links to attract more award candidates in the near future.

Another ongoing initiative of the executive was to propose paperless submissions of wireline data to AEUB. We believe that significant savings can be realized by these initiatives for all industry participants. While two of the Western provinces already approved digital image submissions, the largest volumes of data are in the province of Alberta. We are waiting for the response from AEUB.

We have also participated in discussions with the Canadian Geoscience Council that is an umbrella organization for many geoscience societies in Canada. Recently renamed to CFES (Canadian Federation of Earth Sciences) this organization promotes exposure of all earth sciences at schools and universities. Participation and support of CFES activities would also facilitate exposure of our professions at schools and universities.

Our monthly lunch presentations were well attended and sometimes even sold out. However, due to the busy schedules and high demands from industry activities we have some difficulties to find speakers. I would like to make an appeal to our members to volunteer to share their technical expertise and experiences to present a lunch talk.

Finally, we have also undertaken a review of our society bylaws. A committee of three past presidents suggested updates and changes to our constitution. Proposed changes were presented to the membership for a vote together with the election of the new executive.

Overall, we had a busy and successful year. I would like to take this opportunity to thank all executive members, volunteers and conference organizers for their contribution to the society.

It was a pleasure and a privilege to serve as a President of the CWLS.

Peter Kubica
President

The Vice President's Report

Well, my first year on the CWLS executive has come to a close and it has really been quite an eye-opener. The executive and the many other volunteers do a great deal of work for the Society!

The main duties of the CWLS Vice President are to:

- 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

The nine luncheon talks this year were:

- March - *Optimal Horizontal Well Placement using Directional, Deep LWD Resistivity Device* (Satyaki Ray - Schlumberger Data and Consulting Services). 158 attendees.
- April - *Logging While Tripping: A Revolution in Formation Evaluation* (Ramin Zamani - Datalog LWT Ltd.). 184 attendees.
- May - *Log-based Evaluation of the Barnett Shale Woodruff Shale Play of the Delaware Basin* (Bob Cluff - President of The Discovery Group). 179 attendees.
- June - *The Life of a Well Log* (Karl Norrena - Numerical Modeler for Nexen Inc). 176 attendees.
- September - *Nexen's Yemen Basement Porosity Model* (David Thurston and Doug Bearing - Nexen Petroleum International). 179 attendees.
- October - *A Decade (and a Half) of Modern NMR Logging: An Update on NMR Logging Tools and Methods, and "Thinking Outside The Box"* with NMR (Brian Stambaugh - President of NMR Petrophysics, Inc.). 134 attendees.
- November - *A Pore-Level Approach to Petrophysical Interpretation of Well Logging Measurements* (Mikhail Gladkikh, Scientist - Baker Atlas, Technology Development Group). 165 attendees.
- December - *Nexen/Opti Oilsands Reservoir Characterization* (Laurie Weston Bellman - Nexen Inc, Bellman Consulting Ltd.). 240 attendees.
- January - *Shale Gas Completion Techniques* (Basim Faraj - Talisman Energy Inc.). 174 attendees.

Thank you to all the speakers for putting forth the extra time and effort required to make luncheon presentations. We also started the practice of having a door prize draw at the luncheons. Thanks to John Hall who helped organize these successful draws. Average luncheon attendance was very similar to the previous year.

The NMR Logging Technology school, held in October, was a huge success. This 1 day course was put on by Brian Stambaugh of NMR Petrophysics, Inc and was held at the Engineered Air Theatre in the Epcor Centre. 62 people attended this course where approximately ½ the costs were subsidized by the CWLS.

The Fall Social was a moderate success, but a good time was had by all. Although attendance was up a bit from last year, costs were up a lot. We still managed to raise \$730 for the Children's Cottage. Lots of thanks to Dave Greenwood, who was the principal organizer of this event. Next year we will check with IHS before picking a date (who had their Christmas Social on the same evening). This should help boost attendance. There has been a couple of good suggestions on how to change the format of the social to make it better.

We always are faced with the challenge of the venue for the luncheons. The Palliser will not confirm a booking until 45 days before the event and now charge \$32 for each meal. With the added costs of AV equipment and a bartender, these lunches now lose approx \$500 each time. Although we have been fortunate in having access to the Crystal Ballroom for most of our Luncheons this year, this is something that has to be discussed with the Palliser on an ongoing basis. Many luncheon dates were switched around this year to be able to have access to the larger room.

Looking ahead, we've got the next few technical luncheons already organized, but we are always on the lookout for interesting topics and speakers.

Jeff Taylor
Vice President

Publications' Report

The past year has been very productive for Ben Urlwin and Tyler Maksymchuk in Publications.

Some of the main accomplishments achieved were:

- Publishing four InSite Newsletters
- Helping to expand the website
- Adding to the digital library of past CWLS publications

The newsletter once again continues to improve in technical content and quality, and is showing itself to be an excellent medium for dispersing new ideas, technologies and understandings to our membership base. 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 2006 year.

With the industry going through a surge in activity, it is becoming increasingly difficult to find volunteers to write papers for the InSite. We encourage the membership to contribute to this publication to continue making it the success it is.

As with everything in the province of Alberta in recent months, the improved content and frequency of the newsletter comes with a price. 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 2007. Advertising rates can be obtained by contacting either of our Publication Chairs, or our Advertising Coordinator, Mike Eddy, at 203-2034 (meddy@totalgas.ca).

We would also like to express our Thanks to Sherry Mumford at Connections Desktop Publishing Ltd. as well as to Karen Maruk and her staff at Sundog Printing. Their service continues to be first class and we thank them for their efforts over the last year.

The following papers were published in the InSite this year:

- Using Fuzziness to Repair Borehole Electrical Logs. Courtesy of Steve Cuddy
- Petrophysical Analysis in Reservoir Characterization – Application in the Triassic Hamra Gas Field, Algeria. Courtesy of Rafik Baouche, Nedjari Ahmed, and Eladj Said.
- Formation Evaluation: Carbonate vs. Sandstone Part 1 of 2. Courtesy of Gene Ballay
- Formation Evaluation: Carbonate vs. Sandstone Part 2 of 2. Courtesy of Gene Ballay
- An Update: Meeting the Legal, Regulatory and Environmental Challenges of Coalbed Methane Development in Alberta. Courtesy of Alan Harvie
- Advances in Surface Geochemical Techniques. Courtesy of Bob Potter
- Role of the Modern Petrophysicist. Courtesy of Bandar D Al-Anazi
- Fundamentals of the Pickett Plot. Courtesy of Bandar D Al-Anazi
- Integrated Approach for Development of Hydrocarbon Reserves. Courtesy of Serge Galley

Along with the authors of the 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.

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Publications' Report

The website has continued to evolve as well and has become somewhat of an executive group effort. 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 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.

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 269-2787. The CD Archive project consists of 611 CWLS papers published between 1951 and 2000. This CD includes software that enables the user to search these PDF documents by title or keywords.

The four InSite Newsletters, the CSPG conference and continual maintenance of the website have made 2006 a very successful and challenging year for Publications. With continuing contributions from the membership 2007 will be just as successful.

Ben Urlwin
Tyler Maksymchuk
Publications Co-Chairs

Membership Chair Report

The Membership Chair and CWLS office support staff was actively involved with access by the membership to the CWLS website (www.cwls.org), and updating the membership data base. As some members bear witness to, there were some teething problems, but the system is improving.

The online membership renewal is being promoted as a very efficient renewal method for the membership. Payment may be done in various methods, depending upon the members level of comfort with internet transactions. The renewal can be done online with method of payment being a) online, b) a phone call to the CWLS office, c) cheque mail in.

As an active member, when you login to the "Members Only" section the profile update section, your membership number is displayed in a red box at the top of the page. (H Honourary, M Member, R Senior member, S Student) For those of us with increasing years, Senior membership status can be requested of the executive if you have 10 consecutive years of membership and are 60 years or older. The senior membership is reduced to \$10.00, and we are only recording 9 Senior members at present.

The first part of the membership renewal drive was done through email. Members that did not have email addresses in their profile will be receiving the normal mail out, as will any members who have not renewed by the end of January.

In February the Membership Cards (with a place to record your membership number) and tax receipts will be mailed out.

The society membership currently consists of:

545 Regular members	15 Honourary members
9 Senior members	25 Student members

and 47 registered corporate members.

Micheal A. Stadnyk
Membership Chair

The Secretary's Report

The Secretary is primarily responsible for three duties:

- 1) taking the minutes of the CWLS Executive meetings
- 2) giving notice to the membership of upcoming CWLS events
- 3) mailing out the InSite magazine

If you have not been receiving your copy of the InSite or email notices, please logon to the CWLS website and check your membership information. We use the email and mailing addresses you provide us for all our mail outs. Alternatively, contact my successor or myself and we will be happy to do what we can.

Currently we do 95% of the notices by email. Snail mail notices are available upon request. If anyone currently getting the paper notices wishes to receive email instead, please contact me.

Remember, all our luncheon topics are posted on the CWLS website (www.cwls.org). And now we have a new feature: you can purchase luncheon tickets online!

I'd also like to thank the CWLS office staff for all their hard work and support over the year!

Finally I'd like to thank everyone for the opportunity to serve on the CWLS Executive.

David Ypma
Secretary

The Chair of Committees Report

Overview

Responding to petroleum industry and CWLS membership initiatives, the CWLS strikes committees from time-to-time to actively participate in the evolution of practices and processes in our industry on behalf of the membership.

These committees can steward short-term processes, such as the administration of conventions, or longer term processes directed to accomplish a specific task or ongoing project, such as the ongoing Student Liason Committee.

Some of the committees exist through periods when they are dormant, waiting on developments – the LAS and Tiff committees are an example of these.

Committee members volunteer the time they have available and member turnover is a natural part of the process. As such, CWLS members interested in volunteering are encouraged to contact the Chair of Committees, or the Chair of the specific committee in which they are interested.

A brief summary of some of the highlights of committee activity in 2006 follows:

Student Liaison Committee:

Chairman Louis Chabot

This committee mandate includes serving as a link between student bodies and the Society and presentation of annual cash awards to undergraduate or graduate applicants who are researching a topic which examines some aspect of well logging, formation evaluation, or petrophysics. This is done to foster increased interest in the nature of work performed by CWLS members for the industry by students at Canadian Universities. This year we were happy to present one University of Calgary student, Evan Bianco with an award of \$2,000. Current efforts underway are to increase the number of Universities that provide links on their scholarship information web pages to the CWLS site to encourage application.

Liason Committee CSPG/ CSEG/ CWLS 2006 Joint Convention:

Co-Chair Roy Benteau

Roy was responsible for representing the interests of the CWLS at this joint conference which took place in June 2006. The Conference was a great success, due in part to Roy and his group's hard work.

CWLS Bylaw Review Committee:

Chairman Dave Greenwood

Dave and his group worked with the CWLS executive to assemble a list of proposed amendments to the Bylaws of the CWLS. The aim was to account for the evolution of the activities of the society as it had been quite some time since the Bylaws were last revisited. The proposed amendments were sent to the CWLS membership at large to be voted on with the same mail-out as the election ballots for the CWLS 2007-2008 executive during the month of January 2007.

Special Core Database Committee:

Chairman Taras Dziuba

Taras continues to steward this resource for CWLS members. Extensive core data from the Western Canadian Sedimentary basin is available free of charge to CWLS members. This year efforts to improve the data for Saskatchewan wells were undertaken. Users can search the data by one or more of several attributes such as field name, formation, well UWI or analysis date. This database is hosted on the CWLS server. Current efforts are underway to expand the database by potentially adding additional background information and potentially to expand the scope of this resource to include Coal Bed Methane data. Further information is available through the Core Database link on the CWLS website (www.cwls.org).

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The Chair of Committees Report

Liason Committee to the Canadian Geoscience Council:

Chairman Peter Kubica

The Canadian Geoscience Council is a “society of technical societies” and is attended by executives of major Geoscience societies from across Canada. Matters of common interest are shared at these meetings as well as opportunities to co-operate.

Liason Committee to the SPWLA Fall Topical Conference at Kananaskis:

Chairman Gary Drebit

The SPWLA fall topical conference was held at Kananaskis this year and the work of this committee was to coordinate contributions from Canadian CWLS members. The conference was well attended.

Speaker Evaluation Committee:

Chairman Robert Bercha

Committee members attend our monthly technical luncheons, and once a year select the best presentations for the President’s Award and Vice President’s Award. Criteria include originality, content, graphics, and presentation for both operating company and service company technical luncheon presentations. The Awards are presented at the CWLS AGM.

TIFF Standard Committee: Dormant

The CWLS TIFF standard developed by this committee’s member efforts in previous years reached another level of formal recognition this year. A regulatory body, Saskatchewan Industry and Resources (SIR), has adopted the CWLS TIFF and LAS electronic standard formats for its requirements going forward for well log submissions to the regulatory body. This replaces previous paper/hardcopy formats. Separately, an initiative led by the Canadian Association of Petroleum Producers (CAPP) to submit a proposal to the Alberta Energy and Utilities Board (EUB) for electronic submission of well log using the existing CWLS TIFF and LAS standards was endorsed by the CWLS executive on behalf of the membership this year as well. The CWLS TIFF standard is a monochrome (black & white) pixel-based image of a well log produced by well logging vendors that can be opened and manipulated by common image viewing software. More information on the CWLS TIFF standard can be found on the CWLS website.

LAS Committee: Dormant

The CWLS LAS standard has proved its value by being widely adopted by industry and regulators in Canada and abroad. Though currently dormant, when opportunities to significantly improve the utility of the standard are widely recognized and called for by CWLS members and industry, this committee will likely reform to evolve the standard. There is presently some energy around harmonization of the LAS and CWLS TIFF standards and some potential co-evolution of these standards is envisaged by some members.

Rw Committee: Dormant

The 2002 version of the CWLS Rw catalog is available on the CWLS website as well as on CD.

I wish to extend here many thanks to all the chairs of all the committees and the individual members of those committees for volunteering their time. It has been an honor for me and an extreme pleasure as well to have been able to work with or witness the excellent efforts of these volunteers and the CWLS Executive over the past year.

Gordon Uswak
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, 2006. John Nieto (Past-President), Peter Kubica (President), and Jeff Taylor (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 profit of **\$117,835** for the 2006 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 fallen from \$29,130 in 2005 to \$17,849 in 2006.

Technical Luncheons

The luncheons are to be priced to be self-supporting and to generate revenue if attendance is strong. In April 2005 the executive noted that this was not the case and prices were increased by \$5.00 for both members and non-members. The Technical Lunches are considered "break-even" with 130 people in attendance at that time

In September 2006, our venue increased prices by 15%. A comparison was conducted by the Vice President and it was noted that this increase was competitive with the rest of the Calgary Area. The current executive has been subsidizing this increase.

Fall Charity Social

The Fall Charity Social is a fully subsidized event with revenue from ticket sales contributed to charity. The cost for the event was \$3412. This is an increase of 30% from the previous year of \$2391. The Fall Charity Social provides an opportunity to network with colleagues and renew acquaintances. Attendance was up from last year by 25%. We went from 39 people to 48 people. We collected \$730 that was subsequently donated to the Children's Cottage. Discussions continue on how to change this event and make it better.

CWLS.ORG Web site

Ongoing upgrades to our webpage resulted in \$6,165 of expenditures. On-line technical Lunch purchases have been added at a cost of \$3,816. The additional \$2,349 is for maintenance.

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 Annual General Meeting operated at a cost of \$21,634. This is \$10,366 less than last year mostly due to the lower cost of our speaker.

Publications

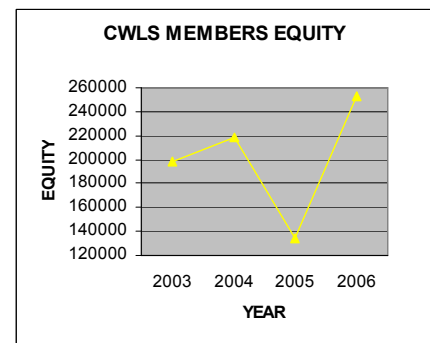
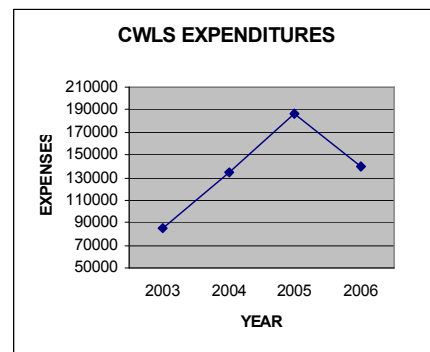
As predicted last year, revenue from the sale of RWCD and Publications has dropped from \$3173 to \$1,343. This data is now available on our web page to members in good standing and again this number should drop in 2007.

Four InSite magazines in 2006 were published at deficit of \$29,264. This is an increase of \$17,116 over last year and over double the amount. It should be noted that our Ad revenue is down \$5,156 from \$10,706 in 2005 to \$5,550 in 2006.

Summary

It has been a very rewarding year with lots of challenges and rewards. As I reflect on the year, I can say with pride that our Society is strong financially. Adding value to the membership is something we strived for and is always at the front 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.

Gary Drebit
Treasurer



The Canadian Well Logging Society

Profit and Loss Statement 2006

INCOME	<u>2005</u>	<u>2006</u>
Interest	4,660	7,202
AGM Revenue	9,318	5,364
Total Meeting Revenue	44,564	52,635
Total Ad Revenue/Web & Insite	10,706	5,550
Total membership	29,130	17,849
Special Core Database Sponsorship	-1,402	0
Total Publication Sales (Journals,Rw Catalogs,RWCD's)	3,173	1,343
Other Revenue/Gain-Loss on Securities	-2,724	17
Prod Course (2005) / CWLS-SPEG joint conference	5,047	6,415
Joint Conference	0	160,830
Gross Income	102,472	257,205
EXPENSES	<u>2005</u>	<u>2006</u>
Joint Conference Expenses	0	14,233
Donation/ 2006 Joint Symposium seed money	5,000	80
Special Core Database	6,597	0
Total Meeting Expenses	55,903	47,934
Student Awards	0	2,000
Election Expenses	1,331	237
AGM Expense	32,000	21,634
Total Publications (Includes Insite Magazine)	20,795	23,371
Total Office Expense	21,744	23,680
Web Page	43,394	6,165
Bank Charges	0	36
Total Expense	186,764	139,370
NET INCOME	-84,292	117,835
Member's Equity at beginning of year	218,908	134,619
Member's Equity at end of year	134,619	252,454

Balance Sheet 2006

ASSETS	<u>2005</u>	<u>2006</u>
<i>Current Assets</i>		
Chequing /Savings	15,669	141,267
Cash Box	170	170
Accounts Receivable	0	0
Undeposited Funds	0	0
Inventory Asset	1,550	1,550
Prepaid Expenses	0	1,500
Term Deposits	129,617	126,820
TOTAL ASSETS	147,006	271,307
LIABILITIES & EQUITY	<u>2005</u>	<u>2006</u>
<i>Current Liabilities</i>		
Accounts Payable	13,752	12,610
Accrued Payables	0	5,332
Unearned Revenue	0	2,280
GST	-1,365	-1,369
TOTAL LIABILITIES	12,387	18,853
Member's Equity	134,619	252,454
TOTAL LIABILITIES & EQUITY	147,006	271,307

Canadian Well Logging Society Executive 2006-2007

PRESIDENT

Peter Kubica
PetroCanada

PAST PRESIDENT

John Nieto
Pengrowth Corporation

VICE PRESIDENT

Jeff Taylor
Nexen Inc

TREASURER

Gary Drebit
*Schlumberger Data &
Consulting Services*

SECRETARY

David Ypma
Tucker Wireline Services

MEMBERSHIP CHAIR

Michael Stadnyk
Talisman Energy

PUBLICATIONS CO-CHAIRS

Ben Urlwin
Talisman Energy

Tyler Maksymchuk
Conoco Phillips

CHAIR of COMMITTEES

Gordon Uswak
Encana Corporation

Canadian Well Logging Society 2006-2007 Committees

Student Liaison Committee

Louis Chabot
PennWest Energy

Special Core Database Committee

Taras Dziuba
Livingston Energy

CWLS Bylaw Review Committee

Dave Greenwood
Schlumberger

Speaker Evaluation Committee

Robert Bercha
Anadarko Petroleum

Liaison Committee for the 2006 CSPG CSEG CWLS Joint Convention

Roy Benteau
EOG Resources Canada

Liaison Committee to the Canadian Geoscience Council

Peter Kubica
PetroCanada

Liaison Committee to the SPWLA Fall Topical Conference at Kananaskis

Gary Drebit
Schlumberger

Returning Officer

Bill Clow
Petrophysical Services

Canadian Well Logging Society Office Staff

Pelly Christos-Litsas, Susan Durksen, Britt Hanson, Anne Kelsey, Marie Locke, Elizabeth Muir

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