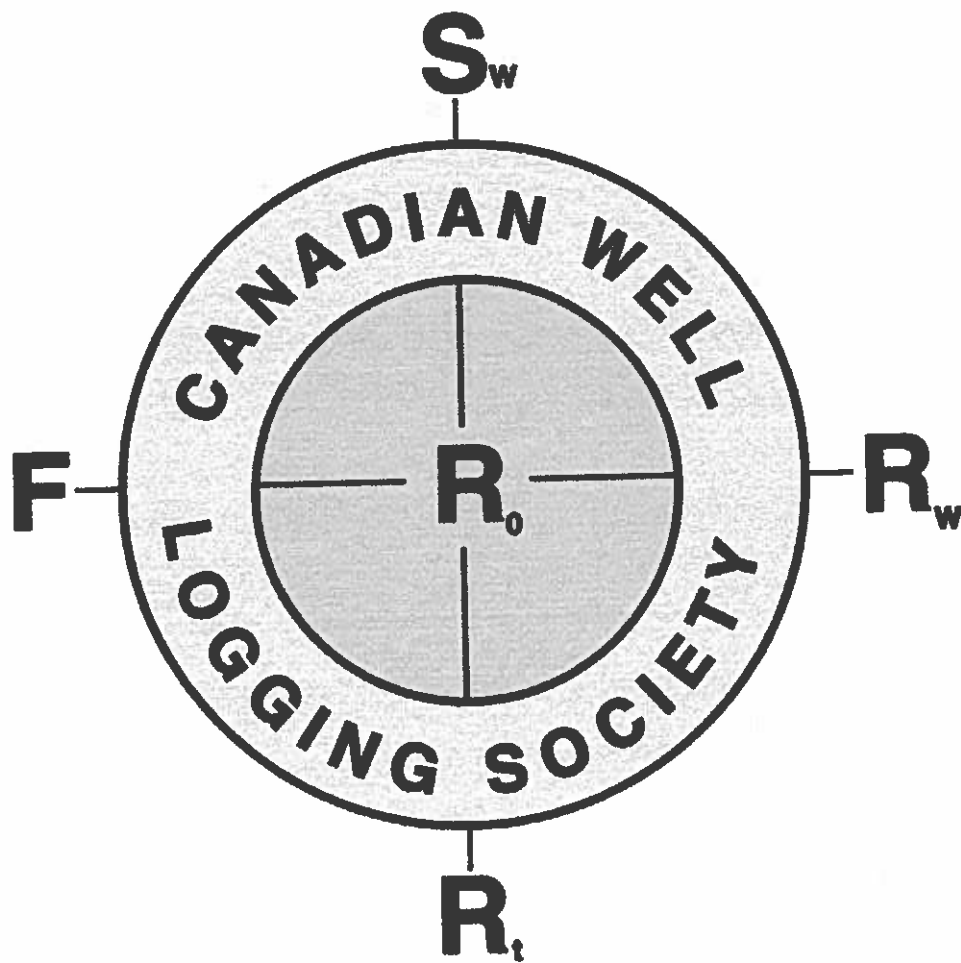


2009–2010
CWLS Annual Report
February 24th, 2010



Canadian Well Logging Society

The President's Report

As we enter 2010 I think most of us would like to remember 2009 as the year that never happened. Unfortunately it did and for some of us it is a road we are all too familiar with. The CWLS as well as the rest of the industry weathered the storm and did so by reviewing expenses and cutting cost where it could while still maintaining membership values.

Due to the economic stress in the industry our corporate sponsorship declined, membership fell slightly and student membership also dropped off. Even with these pitfalls the CWLS was able to generate \$105,814.00 revenue from the Joint CSPG/CSEG/CWLS Convention in 2009 which has provided the Society with much needed capital. The success of this convention is due in large part to our many volunteers who organize the talks and poster sessions as well as the short courses set up by the CWLS Short Course Committee. We cannot forget to thank the JACC group as well who shoulder most of the organizational burden for the annual conventions.

The 2009/10 CWLS Publications Co-Chairs managed to salvage the CWLS Insite publication and produced two excellent magazines for 2009 with a third on the way for early 2010. Many thanks and a job well done to Nabil Al-Adani and Agus Kasuma for their efforts. They have agreed to stay for one more year as Publications Co-Chairs while mentoring two volunteers for 2010 who will potentially run for the positions in 2011.

The Joint Annual Convention Committee contract has been re-written and signed to include the CWLS which will allow us to participate yearly ensuring a constant revenue stream for our society. For 2015 we plan to not participate in the joint convention, instead the CWLS is in talks with the SPWLA to host a joint CWLS/SPWLA convention in Calgary for 2015.

To date the CWLS Student Awards committee has awarded the 2008 Thesis Award of \$5000 to Chad Glemser who was our 2007 Abstract Award winner. There were no abstracts submitted for the 2009 Abstract Award and Rong (Grace) Guo was the winner of the 2009 Thesis Award. I have had several enquiries via email in regards to the awards and the executive has been actively promoting them at several university venues.

The CWLS website continues to evolve and this term we updated the webpage with a new look and made it more user friendly. The website will continue to improve as membership feedback comes in. Key points added are the E-Vote election and Luncheon Reserve tickets (with the ability to order special meals).

The LAS documentation has also been updated as well as the software to be compatible with Windows Vista and 7. This work was performed by Case Struyk who also donated the software to the CWLS. Words alone cannot express the gratitude of the CWLS Executive and its members to Cases' time and commitment.

Continued on next page

The President's Report

All in all 2009 has been a successful year for the CWLS. I feel I have fulfilled my duties as president by creating value for our members and leaving the society in excellent shape for the next executive to take over. I could not have asked for a better executive to work with and would like to thank all of them for the excellent work they did as well as our membership for allowing me to serve as CWLS President this past year.

I will now move on to the Past President position and I encourage our members to be active in our society by volunteering their time for the upcoming 2010 GeoConvention. I will also be searching for nominees for the 2011 executive and again I encourage you to contact me if you would like to run for any of the executive positions.

Sincerely
Vern Mathison
2009 CWLS President

The Vice President's Report

The executive and many volunteers have worked hard during this challenging year to keep the CWLS running smoothly and the technical quality high. 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 and organize the Annual General Meeting.

The luncheon talks were successful in 2009; though understandably not as well attended as in the past with 1412 tickets sold. Average attendance for 2009 was 157 people per lunch, a decrease of 25 per lunch over 2008.

Luncheon talks organized by this year's executive were:

- Mar 18, 2009 David Jacobi Geologist/Geochemist/Mineralogist, Baker/INTEQ "An Integrated Petrophysical Characterization of Shale Gas Reservoirs"
- Apr 08, 2009 W.P. Gwozd Vice President, Gas Services, Ziff Energy Group "Full Cycle Costs of Natural Gas"
- May 13, 2009 Keith Shanley Geologist, Discovery Group, CO. "The state of fluid saturation in tight-gas reservoirs: Insights and implications from the Rocky Mountain basins."
- Jun 10, 2009 Russell W. Spears Petrophysicist, ExxonMobil "Development of a Predictive Tool for Estimating Well Performance in Horizontal Shale Gas Wells in the Barnett Shale, North Texas, USA"
- Sep 09, 2009 Dick Merkel Newfield Exploration Company "Shaly Sand Petrophysical Model Development in Low Porosity Sands"
- Oct 13, 2009 David C. Herrick PhD Consulting Petrophysicist "An Unconventional Approach to Unconventional Reservoirs"
- Nov 04, 2009 Bob Everett "Petrophysicist Shale Gas Methods, Free and Adsorbed Gas in BGF/ Section, Good and Poor Haynesville Wells, Petrophysical Characterization using a Nuclear Spectroscopy (ECS) Multi-Clay Model and Geological Analysis by a Maximum Likelihood System"
- Dec 09, 2009 M.A. D'Iorio, Ph.D. Director General "Gas Hydrates in Canada's North: Potential or Wishful Thinking"
- Jan 13, 2010 Rong (Grace) Guo "PhD, P.Eng Shell Canada "COAL CHARACTERIZATION BY CORE-FLOOD, X-RAY CT AND LOW-FIELD NMR"

Most of the presentations are available as a webcast on the CWLS website.

The Fall Social at the Palliser provided great and abundant food and superb views from the penthouse though attendance was down from last year. The silent auction and door tickets sales raised \$1,370 for the Children Cottage Society of Calgary.

Finally, I would like to give a personal thank you to everyone that helped me this year, especially our administrator Ashley Pessell.

Dave Shorey
Vice President

The Chair of Committees Report

As we approach the end of the 2009-2010 term, it's time to highlight a selection of achievements and contributions made by committee members and associated volunteers.

The LAS Standard Committee was re-activated in December 2009 under the guidance of Case Struyk to update LAS 2.0 documentation and provide a new software application for manipulating LAS files. The updated documentation "LAS 2.0 Update: July 2009" and link to the revised software are both available on the CWLS website under the "LAS Info" tab. Features of "LAS Applications Jan 2010" include bulk processing LAS files, correcting LAS for common problems (ie blank lines and non-printable characters), converting LAS from version 1.2 to 2.0, re-sampling, wrapping/unwrapping LAS, converting text to LAS, sorting LAS files by type (ie wrap, unwrap, version) and changing curve mnemonics from LAS files. For a full description of program features, please download the software from the CWLS website. Feel free to direct detailed questions or report any bugs to kc.petrophysics@gmail.com.

Case Struyk chaired the Metadata Committee which was established to explore the possibility of designing a standard metadata element set for log and core data. The oil industry currently uses manual and non-standardized methods to store, search and retrieve wellbore data. This process can be automated with concepts that are a dramatic improvement in log archiving efficiency and similar in nature to Internet search engines. Details on the project will be presented at the 2010 GeoCanada convention under "An Automated Method to Store, Search, and Retrieve Wellbore Data".

Visitors to the CWLS website in Spring 2009 were greeted with an improved layout that is easier to navigate. Jeff Taylor was instrumental in leading the vision for our updated website. As part of the website revamp, a revised banner graphic representing the natural beauty of our country along with the basis of our craft was designed and carried over to an InSite Magazine cover, our display booth and luncheon presentation slides. The revised image helps "brand" the CWLS and the new display booth creates a stronger visual at conferences and exhibitions.

The Student Liaison Committee members have been visible at several on-campus student events to share the benefits of joining our society and establish a presence on campus. In 2009, the CWLS was invited to join the APEGGA Student Liaison Committee (SLC) alongside representatives from CSEG, CSPG, University of Alberta, University of Calgary and Mount Royal University. Through our involvement with the APEGGA SLC, our society supports the development of future professionals by sponsoring and advising on student run events including GeoSkills 2010 and Professional Skills Day.

The Speaker Awards Committee attends monthly luncheons and evaluates talks based on graphic presentation, content and audience feedback. Robert Bercha leads the committee review assessments and advised the CWLS executive on recipients for the Presidents and Vice Presidents award. Committee members are respected for their commitment to professionalism and impartiality.

The 2010 Joint Annual Convention falls under the banner of GeoCanada 2010 which will be held at Stampede Park from May 10-14. CWLS is one of eight sponsoring organizations committed to presenting a quality program detailing the latest in development across the spectrum of Earth Science. The CWLS is strongly represented on the organizing committee by John Nieto, Reigh MacPherson and Gary Drebit. In addition to providing members with excellent networking, continuing education and professional development opportunities GeoCanada 2010 provides an important revenue base and exposure for the CWLS. Your participation as a delegate and/or volunteer strengthens our technical society.

Volunteers form the core of the CWLS and their commitment to active participation is greatly valued. Please feel free to contact any executive member if you'd like to volunteer or have a suggestion for a committee.

Thank you for the opportunity to act as Chair of Committees for the 2009-2010 term. I've enjoyed working with the executive and look forward to future involvement with the CWLS.

Maggie Malapad
Chair of Committee

Publications' Report

Two InSite magazines were published this year: May and November. The InSite has once again 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. With the down turn in the industry and the economy as whole towards the end of 2008, it has remained difficult to find volunteers to write papers for the InSite. 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 2010. 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 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 and abstracts were published in the InSite this year:

- Geosteering Techniques in Thin Coal Reservoirs by Christine Burinda, Halliburton, Jason Pitcher, and Dennis Lee.
- Capillary Pressure Curves Determined by Direct Measurement of the Saturation using Magnetic Resonance Imaging by Derrick P. Green.
- TOC from Conventional Logs: Compressional Slowness and Deep Resistivity by Peter Kubica.
- Digital Rock Physics for Oil Sands and Gas Shales by Guoping Li, Elizabeth Diaz, Avrami Grader, Meghan Armbruster, and Amos Nur, Ingrain Inc.
- No Such Thing as Objective Truth, Part 1 of an Interview with David Finch by Kathy Chernipeski.
- Shale Gas Petrophysics – Montney and Muskwa, are they Barnett Look-Alikes? By John Nieto, Robert Bercha, and Jim Chan.

The InSite's cover was modernized to make better use of the cover space and to highlight the technical articles within. 2009 saw the second interview: David Finch, by Kathy Chernipeski. Along with the authors and papers listed above, many people have contributed to the InSite over the past year. 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. In 2007 we had a great deal of work done on the back end and 'behind the scenes' infrastructure of the site. The new improvements added allowed the executive and members the ability to improve, add, or change the

Continued on next page

Publications' Report

site as needed. In 2008 we added the ability to view past luncheons on the website with webcasts and in 2009 Executive votes were first gathered through the eVote. The website had a major facelift in 2009, making the site more modern and user-friendly. 2010 also hosted an Evote, and the Courses page will be made editable. There is also a new membership option to receive the InSite in electronic form instead of printed, as described in the Committees report. 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 reports posted from the previous years 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.

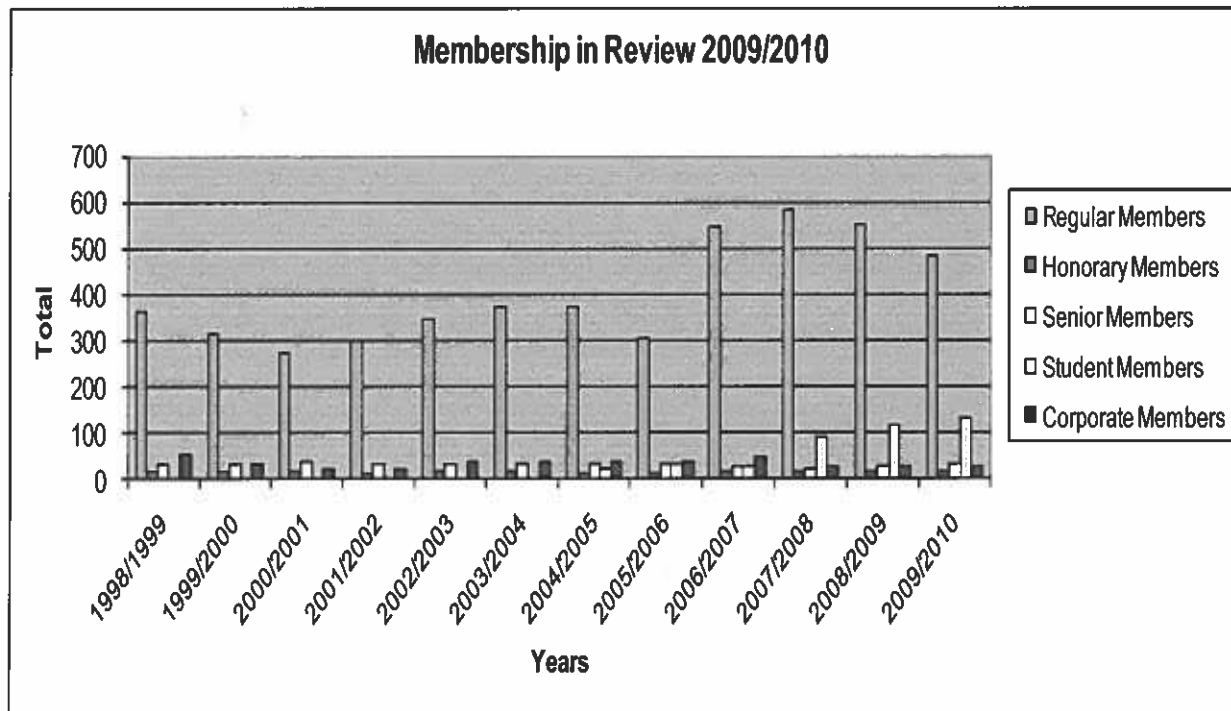
The CD archive project is still in existence and if you would like CD's, they are available from the CWLS office. Details on how to purchase the CD can be found on the CWLS webpage or call the friendly office staff at 403-269-9366. The CD Archive project consists of 611 CWLS papers published between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

The two InSite Newsletters, the preparation for the CSPG-CSEG-CWLS conference and continual maintenance of the website have made 2009 a very successful and demanding year for Publications and all executive members. With continuing contributions from the membership, 2010 will be just as successful.

Nabil Al-Adani
Agus Kusuma
Publications Co-Chairs

Membership Chair Report

The Membership Chair and CWLS office staff actively monitored the progress of the membership throughout the 2009-2010 year. Please remember that your membership is based from March 1st to Feb 28th annually and not calendar date you purchased it, as per our bylaws. I offer the following for Membership in review:



You will notice the trend of decreasing regular members and increasing Senior Members however, there is a general increasing of student members that will allow your society to have new and fresh faces. With new student members come new ideas as was demonstrated by Rong (Grace) Guo PhD, P.Eng January Luncheon Talk, who was a CWLS student award recipient in the past. We continue to have close to 500 regular members since the 2005-2006 season, which demonstrates the value of the changes we have made in the society. At \$40.00 (renewal rate) we continue to be the most cost-effective society for value.

Now is the time to renew and recommend the CWLS to your peers. Renewal is either via the website or phoning the CWLS office staff. Also, if you prefer, by mail if you're out of town and the other 2 methods are not available to you.

The society continues to be complaint with Federal and Provincial legislation which aims to preserve and protect your privacy. For more information, please read our Privacy Policy on our website.

As Membership Chair, thank-you for your support. I hope to serve you again in the near future.

Gary E Drebit
Membership Chair
(www.cwls.org/memberships)

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. If anyone currently getting the paper notices wishes to receive email instead, please contact me. If you have changed email addresses, let myself or any of the Executive know.

Updates to the membership database now include the option to get the InSite magazine as an emailed PDF file instead of the regular print edition.

We're changing how the Courses section of the website works. Currently we must ask Commerx to update the page for every changed or new course date, incurring a fee each time. Soon the CWLS Executive will have the ability to do these updates ourselves, saving us money in the long run.

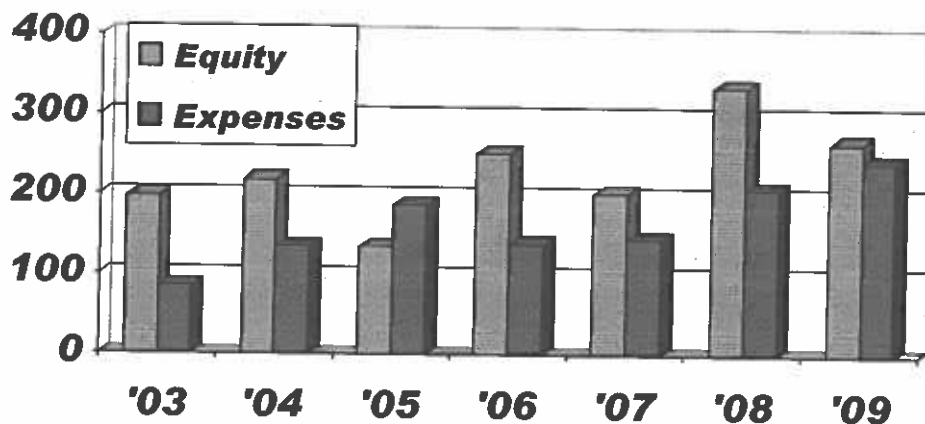
Remember, all our luncheon topics are posted on the CWLS website (www.cwls.org) and you can purchase luncheon tickets online!

I'd 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 for my third term.

David Ypma
Secretary

CWLS Equity vs. Expenses



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, 2009. Roy Benteau (Past-President), Vern Mathison (President), and Dave Shorey (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 **\$30,162** for the 2009 year. The society received revenues from membership dues (both personal and corporate), technical luncheons, publications, joint conference, short courses and sponsorships.

Membership

Membership income has fallen from \$31,324 in 2008 to \$28,113 for 2009 as a result of slight decrease in both personal members and corporate sponsorship. Dues will remain unchanged for members and new members for the March 2010 renewals. The CWLS still offers the lowest dues of any petroleum society in Calgary.

Technical Luncheons

The luncheons are priced to maintain affordability for the members, and have been subsidized by the society for 2009. Cost per plate for the luncheons is \$51, while the society charges \$40 at the door or for non-members and \$35 for members (in advance). Expenses have increased due to increases from the Palliser venue as well as the addition of the Webcasts and bringing in speakers from across Canada and the U.S. Lunch prices will remain unchanged for the first five luncheons of 2010. Average attendance for 2009 was 157 people per lunch, a decrease of 25 per lunch over 2008.

Fall Charity Social

The Fall Charity Social is a fully subsidized event with revenue from ticket sales contributed to charity. The cost for the 2009 event was \$6,157. This is a decrease of \$8,061 from the previous year as the expected attendance was low and thus less food was ordered. We did accept donations for a silent auction and cash raffle which generated \$1,370 for the Children Cottage Society of Calgary. The Fall Charity Social provides an opportunity to network with colleagues and renew acquaintances. Attendance was down from last year's attendance of 58 people to 49 people.

CWLS.ORG Web site

The web site has seen a new design and layout. A special core database has been added with spreadsheets available to the members. The data was digitized by the employment of our first summer student, whose cost increased the yearly office expenses by \$19,000.

Annual General Meeting

The AGM is funded through ticket sales and sponsorship for this event. A major expense is the speaker's fee that has to be covered from general revenue. The 2009 Annual General Meeting operated at a cost of \$35,650. This is \$4,122 more than last year mostly due to the increases cost of the venue. Revenue from ticket sale and sponsorship was up \$1,933. The event still runs at a \$18,000 deficit.

Publications

Only two InSite magazines were published in 2009 at deficit of \$9,938. However ad revenue was up from \$8,421 in 2008 to \$9,972 for 2009. For future years, we will ask members to opt out of a paper copy of the InSite, if they prefer to just download it from our website. Advertisement revenue could improve once the executive looks at the fees and adjusts accordingly for the second half of 2010.

Joint Annual Conference

This was the second year that the CWLS has been part of the Joint Annual Conference along with the CSPG and CSEG. Due to the financial environment, attendance at the conference and the short courses (put up by the CWLS) were down in 2009, decreasing the revenue from \$174,946 in 2008 to \$105,814; after costs and seed money, the profit from the conference dropped from \$150,776 to \$71,525.

Summary

2009 saw the worst year in recent past for our industry, the CWLS was affected by a slight decrease in memberships and larger decreases in attendance to the luncheons and symposium. Since past years have seen high profits (to a non-profit society), the executive took decisions this year to invest money in student awards, summer students (to complete projects), donations and hosting high caliber talks and publications. The society is still in good standing with over \$200,000 invested in long term GIC's to fund future expenses. I wish you all success going into 2010 and I hope to serve you again in the future within this society.

CWLS 2009 Treasurer, Simon Corti (P.Eng.)

Profit and Loss Statement 2009

INCOME	<u>2007</u>	<u>2008</u>	<u>2009</u>
Interest	10,018	9,377	11,065
AGM Revenue	9,810	15,923	17,856
Total Meeting Revenue	47,503	58,195	43,250
Total Ad Revenue/Web & Insite	1,625	8,802	10,068
Total membership	23,864	31,324	28,113
Total Publication Sales (Journals,Rw Catalogs,RWCD's)	132	71	199
Other Revenue/Gain-Loss on Securities	2,478	1,701	-3,381
Short Course (2008) / CWLS/CSPG/CSEG joint conference	94	88,357	41,900
Joint Conference	0	86,589	63,914
Gross Income	95,524	300,339	212,984
Expenses	<u>2007</u>	<u>2008</u>	<u>2009</u>
Joint Conference Expenses	2,780	2,290	0
Joint Symposium Seed Money	80	0	11,500
Short Course Expenses	0	21,880	22,789
Total Meeting Expenses	50,532	82,933	76,573
Student Awards	7,343	0	10,000
Election Expenses	2,160	2,485	3,799
AGM Expenses	19,522	31,528	35,650
Total Publications (Includes InSite Magazine)	15,927	14,413	19,910
Total Office Expense	21,071	26,573	45,986
Web Page	25,071	25,842	16,654
Bank Charges	14	0	285
Total Expenses	144,500	207,944	243,146
Net Income	(48,976)	92,396	(30,162)
Member's Equity at beginning of year	252,454	203,478	295,904
Member's Equity at end of year	203,478	295,904	265,741

Balance Sheet 2009

ASSETS	<u>2007</u>	<u>2008</u>	<u>2009</u>
<i>Current Assets</i>			
Chequing /Savings	33,329	32,017	38,784
Cash Box	170	170	170
Accounts Receivable	1,367	5,732	13,088
Inventory Asset	1,550	1,550	1,550
Prepaid Expenses	0	11,269	6,405
Term Deposits	176,579	279,282	204,450
Accrued Interest on GIC		4,039	4,052
Total Assets	212,995	334,059	268,499
LIABILITIES & EQUITY	<u>2007</u>	<u>2008</u>	<u>2009</u>
<i>Current Liabilities</i>			
Accounts Payable	10,797	38,155	2,758
Accrued Payables	0	0	0
Unearned Revenue	0	0	0
GST	(1,280)	0	0
Total LIABILITIES	9,517	38,155	2,758
Member's Equity	203,478	295,904	265,741
Total LIABILITIES & EQUITY	212,995	334,059	268,499

Reviewed by:

Vern Mathison, President

Dave Shorey, Vice President

David Ypma, Secretary

Canadian Well Logging Society Executive 2009-2010

PRESIDENT

Vern Mathison
Enseco Wireline Services

PAST PRESIDENT

Roy Benteau
EOG Resources

VICE PRESIDENT

Dave Shorey
Baker Atlas

TREASURER

Simon Corti
ALCOSS Enterprises

SECRETARY

David Ypma
Tucker Wireline Services

MEMBERSHIP CHAIR

Gary Drebit
*Schlumberger Data &
Consulting Services*

PUBLICATIONS CO-CHAIRS

Nabil Al-Adani Agus Kusuma
Suncor *Schlumberger*

CHAIR of COMMITTEES

Maggie Malapad
*Schlumberger Data &
Consulting Services*

Canadian Well Logging Society 2009-2010 Committees

Student Liaison Committee

Maggie Malapad *Schlumberger DCS*
Roy Benteau *EOG Resources Canada*
Vern Mathison *Enseco Wireline*

Special Core Database Committee

Taras Dziuba *Livingston Energy*

Speaker Evaluation Committee

Robert Bercha *Canbriam Energy*
Jim Jarvis *CNRL*
Larry Song *ERCB*
Jim Earley *Encana*
John Gilroy *Encana*
Mark Ducheck *WellTek*
Andrew Etele *CNRL*

LAS Standards Committee

Case Struyk *KC Petrophysics*
Jim Karst *Schlumberger*
Ken Heslop *Oakrock Ltd.*

Website Committee

Jeff Taylor *Nexen*
Nabil Al-Adani *Suncor*
Maggie Malapad *Schlumberger DCS*

Metadata Committee

Case Struyk *KC Petrophysics*

Returning Officer

Dave Reed *Weatherford Canada
Partnership*

Joint Annual Conventions Committee

Roy Benteau *EOG Resources Canada*
Maggie Malapad *Schlumberger DCS*

GeoCanada Organizing Committee

John Nieto: General Co-Chair
Reigh MacPherson: Technical Co-Chair
Gary Drebit: Finance

CWLS Bylaw Review Committee

Dave Greenwood *Schlumberger*

Canadian Well Logging Society Office Staff

Rence Collens, Susan Durksen, Kate Handford, Ashley Pessell, Andrea Silverthorn, Becky Windley

Canadian Well Logging Society Contact Information

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