

VIPIR News

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February 2000

INFORMATION MANAGEMENT

Advisory Group Launched

The inaugural meeting of VIPIR's newest committee was held in Calgary on January 26, 2000.

The nine-member VIPIR **Registry Advisory Group*** (RAG) is accountable to the project steering committee, and by extension, to government stakeholders and industry-at-large. **Its mandate is to ensure the successful delivery of VIPIR's information management components.**

The composition of the advisory group reflects the strong, industry-ministry partnership that characterizes the VIPIR project. It's a partnership that's possible because industry and government are on common ground.

"This project is about exchanging information," says advisory group chairman **Dave van Kampen**, "and a good deal of industry and government data is interconnected. With or without VIPIR, changes are needed to modernize and update EUB systems. The government is moving ahead. It's a one-time opportunity for industry to improve the efficiency of our own data exchange processes—without bearing the cost of building the registry. We should be part of it."

The Registry Advisory Group includes seven industry representatives, three from the Ministry of Resource Development, and VIPIR's project director. Its members bring a wide range of skills to the table—from policy development to hands-on experience with allocation, reporting, production, and revenue issues.

"This group understands the details of the business," explains van Kampen. "They're pragmatic. They're constructive. And they're good advocates for the project."

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The Search is Done

by John Finlaison

Hot off the press! VIPIR's new project director is James P. Nichols. Jim was the project director of the recent Telus area code expansion project (in which the area code for northern Alberta was changed to 780).

Jim starts on Valentine's Day. Is that auspicious or not? (Let's hope he doesn't bring a violin case to work!)

Watch for a profile of Jim in the March issue of VIPIR News. ❖

INSIDE THIS ISSUE

1 Registry Advisory Group Launched

The industry and ministry partners on VIPIR's advisory group are responsible for the successful delivery of the project. Their mandate includes advocacy, communication, and issue resolution. Check out pages 3-4 for the scoop on the members of this group. They're an impressive (and eclectic!) bunch.

4 A Good Word from the CAPP Pres

Dennis McRae wasn't always a VIPIR supporter. Find out why he thinks VIPIR is "an opportunity for us to make...business process improvements" that will move the industry into the 21st century.

5 Profiles

Meet Darrell Skoreyko (Canadian Hunter), Gary Fiselier (PanCanadian), and Joanne Quirk-Williams (Talisman)—the newest industry representatives on VIPIR's team.

6 Coffee, Anyone?

Contact the Project Office if you would like to take part in a coffee-and-questions session with the VIPIR team.

6 Staff Notes

Advisory Group (continued from page 1)

Advisory group members understand that their role isn't just to provide a little advice.

"We've been charged with the responsibility of getting this thing home," van Kampen notes. To do this, there are three key areas of responsibility:

1. **advocacy.** RAG members are well-connected, recognized leaders who promote the VIPIR project within their own networks of colleagues.
2. **issue analysis and resolution.** Issues identified by VIPIR's working teams are forwarded to the advisory group for further review. RAG members work through alternatives and recommend solutions. They consult with industry organizations and enlist broader industry input, as required.
3. **communication.** The advisory committee helps to channel information upwards, from the project's working teams to the steering committee; downwards, back to the team; and outwards, from the project to public sector stakeholders and to the industry at large. It consults and communicates with industry associations. These include the Fiscal Executive Policy Group of the **Canadian Association of Petroleum Producers (CAPP)**, the **Small Explorers and Producers Association of Canada**, the **Canadian Association of Petroleum Production Accounting (CAPP)**, and other agencies.

"There's a strong sense of accountability," explains van Kampen. "We need to ensure that people know where get to information on the project. Our stakeholders need to feel updated—and confident that project deliverables and milestones are being met." ❖

**Registry Advisory Group is a working title.*

RRIR TO VIPIR

From Reformatting to Re-engineering

Registry Advisory Group chairman Dave van Kampen is a veteran of the conceptual design phase of the VIPIR project. This phase built on the concepts proposed in the Royalty and Related Information Review (RRIR).

"When the idea of a central data registry began to take shape, the whole focus of the project changed."

"RRIR espoused the idea of streamlining the forms and data requirements used in reporting volumes and allocations," says Dave. "When the idea of a central data registry began to take shape, the whole focus of the project changed. We've moved beyond the idea of reformatting data to re-engineering the way data is exchanged."

Re-engineering data flows involves a number of principles which ensure that data in the registry system is free from mathematical errors.

Dave explains, "One principle is that a particular piece of volumetric data can be reported only once. Factors can then be applied to allocate the reported number for a variety of purposes—like reporting to operators and business partners, or government regulators." Another important concept is the storage of granular data elements rather than derivable statistics.

"These principles ensure that no unnecessary reconciliation points are introduced into the system," Dave explains. "The result is one, consistent view of the data of record. To use the lingo, 'everyone can read from the same page.' On a day-to-day basis, that means production accountants can rely on the data in the system being consistent with the operator's view, the ministry's view, and so on."

"I don't see VIPIR as a lunge ahead to some futuristic vision," Dave says. "It's about keeping pace—moving to data interchange methods that are based on today's technology."

And that's a good thing. ❖

**For a description of the registry's factor-based allocation process, please see the Readers' Forum section in the January 2000 issue of VIPIR News.*

VIPIR on the Web

Key documents on the VIPIR project are available on the Department of Resource Development website. Check <www.resdev.gov.ab.ca/depart/vipir/index>.

The EUB home page (<www.eub.gov.ab.ca>) also has a link to these documents.

MEET THE REGISTRY ADVISORY GROUP

DAVE VAN KAMPEN, CHAIR

SUPERVISOR OF REPORTING AND ROYALTIES, CANADIAN OPERATIONS ACCOUNTING, TALISMAN ENERGY INC.

Dave is an Alberta gas royalty specialist who has many years of experience as a production/revenue accountant. He has been an instructor and curriculum developer for gas royalty-related courses sponsored by the Canadian Association of Petroleum Production Accounting (CAPPA). He is a member of CAPPA's Government Liaison Committee and the Canadian Association of Petroleum Producers' Accounting Subcommittee. Dave served as a resource person on the VIPIR project's conceptual design team. This team made a significant contribution to the registry proposal which is now being analyzed in the project's business area analysis phase. ❖

DAVE ALLAN, BCOM, CMA

MANAGER, INFORMATION SYSTEMS AND PRODUCTION ACCOUNTING, CANADIAN HUNTER EXPLORATION LTD.

Dave worked in the information systems area for 16 years before moving into production accounting in 1998. He's a strong supporter of the VIPIR project. His company has been involved right from its start in RRIR. "I believe VIPIR will provide a state-of-the-art system to move the Alberta petroleum industry into the 21st century," says Dave. "Once it's implemented, there will be substantial savings for industry and government." ❖

DAVE BREAKWELL, BCOM, CMA

BUSINESS TEAM LEAD, VIPIR PROJECT

Dave is an accountant and information technology consultant who joined VIPIR as the business team lead in March 1999. His credentials include 8 years as a manager with the Department of Resource Development (in the Gas Royalty and Information Technology branches) and consulting experience with a number of major information technology organizations. ❖

CLIF HETHERINGTON

BRANCH HEAD, COMPLIANCE & ASSURANCE
DEPARTMENT OF RESOURCE DEVELOPMENT

Clif served as a department representative on the Royalty and Related Information Review. Over the years, he has headed up the department's Gas Royalty, Freehold Mineral Tax, and Oil Sands Royalty operations. ❖

JACKY DAUNHAUER

MANAGER, PRODUCTION AND REVENUE ACCOUNTING DEPARTMENT, BEAU CANADA EXPLORATION LTD.

In her 37 years in the oil and gas industry, Jacky has seen every side of the business from "down in the trenches." She worked at the EUB for a dozen years and spent 20 years as a consultant for big and small company operations. Her philosophy is that if you don't get involved, you can't complain later. "I want to do what's best for production accountants as a whole," she says. "I want the oil companies to be dealt with fairly. And I want to speak up for the little companies. If you're part of the process, you know you've done your best." ❖

CHRIS DODD

COORDINATOR OF ACCOUNTING BUSINESS SERVICES
NUMAC ENERGY INC.

Chris Dodd has seventeen years of experience in oil and gas accounting. She has worked as a Team Leader (Accounting) at Sceptre Resources Limited, and prior to that, as Chief Accountant at a small, independent oil and gas firm. Chris is well-versed in the complexities of oil and gas accounting. "I'm looking forward to the VIPIR challenge," she says. ❖

GRAHAM JENKINSON, ISP

STAFF ORGANIZATION ADVISOR, INFORMATION AND SYSTEMS SERVICES BRANCH, ALBERTA ENERGY AND UTILITIES BOARD

Graham has been with the EUB for over 30 years. He has a broad range of experience in production accounting, system maintenance, information management planning, policy development, joint regulatory reporting, and electronic commerce. "The seeds of VIPIR have been around for years," says Graham, "but we finally have an environment in which they can germinate and grow. I believe we can achieve the vision we've established for the project. Outstanding information management can really be a cornerstone of good government practice and a competitive oil and gas industry." ❖

DARREN O'DELL

COORDINATOR, REGULATORY REPORTING
AMOCO CANADA

Darren is the newest member of VIPIR's Registry Advisory Group. He's so new that his bio wasn't available when *VIPIR News* went to press. ❖

Registry Advisory Group (continued)

LORIE MAY

ACCOUNTING COORDINATOR, ALBERTA ENERGY COMPANY

Twenty-one years in the industry have provided Lorie with extensive experience in production and revenue accounting and royalties. Lorie also has experience with production accounting operating systems, including the Triangle system. "VIPIR can make a big difference," says Lorie. "It can reduce my company's administrative costs in areas where the government's previous simplification efforts didn't work. There's a benefit to getting involved." ❖

DENNIS McRAE, CMA

OPERATIONS SUPPLY & SYSTEMS MANAGER, IMPERIAL OIL RESOURCES

PRESIDENT, CANADIAN ASSOCIATION OF PETROLEUM PRODUCTION ACCOUNTING

Dennis is an adult educator with 25 years of experience in oil and gas accounting. He has dealt with supply management, marketing, joint venture functions, business design, revenue and royalty accounting, and related systems development. His accomplishments include implementing an industry-funded, computer-based training system for oil and gas production accounting at the Southern Alberta Institute of Technology. Dennis chaired CAPP's Education and Seminars Committee (of which he is still a member) from 1988 to 1996. He is a member of CAPP's Government Liaison Committee and has served as the organization's president since 1996. He is also a Certified Management Accountant and a member of the Society of Management Accountants of Alberta. ❖

**A Good Word from CAPP
President Dennis McRae**

Dennis is a member of the VIPIR Registry Advisory Group.

Dennis McRae lives information management. As a supply and systems manager for Imperial Oil, he ensures access to information within the Operations Division. He's also responsible for managing the information his company supplies to its business associates and to the government.

As a member of CAPP's Government Liaison Committee, Dennis has dealt with the whole range of production reporting functions that take place between the public and private sectors. His approach

A Good Word from CAPP (continued)

is simple. "When there's an issue," Dennis explains, "you have to ask, 'how can this be done in the most efficient way?' And you've got to find a solution that's acceptable to both parties."

Dennis sees the VIPIR initiative as a positive step for industry and government. "It's an opportunity for us to make a step change in the way we exchange and manage information."

...exchanging information electronically avoids the huge, paper blizzard that exists today

"VIPIR gives us the opportunity to exchange information electronically—and get away from the huge, paper blizzard that exists today," says Dennis. "The proposed registry will handle data in a way that ensures its integrity. And that will give us the leverage to make significant business process improvements. To me, it really feels like we're getting into the 21st century."

Dennis has been involved with the VIPIR project for nearly a year. Currently, he sits on the Registry Advisory Committee. Prior to that, he was a member of the Industry Advisory Group formed for the conceptual design phase of the project.

But Dennis wasn't always a VIPIR supporter.

"I thought the original business model was too simplistic and would not handle the range of special situations that exist in the industry," he explains. "But the work done late last year beefed up the model. And the current business area analysis process is intended to address the special cases in depth."

Dennis still has concerns that, unless properly managed, the VIPIR project may not deliver what it should. That's why he has volunteered to be a member of the Registry Advisory Group.

"...improvements don't come without effort. People need to get involved..."

"VIPIR will mean significant change for many people in the industry," Dennis says. "But improvements don't come without effort. People need to get involved so we can make this change as effective and efficient as possible." ❖

Profiles

Joanne Quirk-Williams

Joanne Quirk-Williams, BCom, CGA has been a member of VIPIR's business area analysis (BAA) team since December 1999. Her background includes system implementation for oil and gas projects and a range of experience as a production/revenue accountant and supervisor.

Joanne is well-versed in information management issues. She represented the Canadian Association of Petroleum Production Accounting (CAPPA) on the PRIDE initiative. She also worked on the Canadian Association of Petroleum Producers' Help Desk and attended business design group meetings when the ministry introduced Owner Activity Statements.

"I joined the BAA team with a good sense of VIPIR's game plan," says Joanne. "The registry changes the whole concept of how information is exchanged. It's going to be a really good thing for everyone in industry to be able to interact quickly. And it's exciting to see how something so large is going to work."

Joanne holds a Bachelor of Commerce degree from the University of Manitoba. She is also a Certified General Accountant and a financial planner. Since 1992 she has worked as an oil industry consultant, focusing on Crown royalty-related issues and special projects. "I've worked with all products, all provinces (in the Western Canadian Sedimentary Basin), and all sorts of regulatory reporting issues," says Joanne.

Joanne's participation on the project is funded by **Talisman Energy Inc.** ❖

Gary Fiselier

In his 20 years in the oil patch, Gary Fiselier, CGA has combined a background in accounting with a passion for information systems. In fact, he designs computer systems that bring efficient, cost-effective solutions to a wide range of business problems.

Gary has been hooked on computers since he got his first PC in 1983. He was soon writing programs to streamline his work. His first was a program to calculate royalty rates for the gas plant accounting work he was doing. Since then, he has developed software and systems to capture field data and

manage gas plant allocations. He has helped to design and implement client-server-based financial systems, production accounting systems and a web-based, time tracking system.

Gary joined **PanCanadian Petroleum Limited** as an information technology consultant in 1997. He was seconded to the VIPIR project this January.

Because of its history, a significant portion of PanCanadian's royalty income comes from freehold land and interests in the Irrigation District. Gary wants to make sure the new registry can "deal with all the twists" in his company's business.

"I think the registry has a lot of potential," says Gary. "We can reduce workloads and get rid of some of the quirky reporting requirements that evolved over the years."

"When I work on a project, I find myself analyzing the business and looking for quicker, more cost-effective solutions."

That's what the VIPIR project is all about. For a guy like Gary, it seems like a perfect fit. ❖

Darrell Skoreyko

Darrell Skoreyko, BA, CMA is the newest member of the VIPIR team. In his 14 years in oil and gas, Darrell has seen both the industry and government sides of the business. He worked on the MRIS project and in the mineral revenues, mineral operations, and audit sections of the Department of Resource Development. Since 1996, Darrell has been a contract consultant in the area of royalty management. He launched Pace Systems Inc. with partner Kim Gilroy in 1997.

Since joining the VIPIR project on February 3, Darrell has been through a rapid-fire immersion in all the business area analysis topic areas—(1) infrastructure, (2) flow data, (3) allocations, and (4) provisional assessments, pricing, and reporting schedules.

"We've got a good team," says Darrell. "There's a lot of discussion and dialogue. The challenge will be to get people to buy into the concept of an electronic solution for handling data. It's exciting to be part of the process."

Darrell's participation on the VIPIR project is funded by **Canadian Hunter Exploration Ltd.** ❖

THE VIPIR PROJECT IS AN INITIATIVE OF THE ALBERTA MINISTRY OF RESOURCE DEVELOPMENT
ALBERTA ENERGY AND UTILITIES BOARD (EUB)
DEPARTMENT OF RESOURCE DEVELOPMENT (DRD)
IN COOPERATION WITH INDUSTRY PARTNERS.

VIPIR IS THE IMPLEMENTATION PHASE OF THE INDUSTRY-LED ROYALTY AND RELATED INFORMATION REVIEW (RRIR). THE PROJECT HAS TWO PARTS.

- ❖ INFORMATION MANAGEMENT (IN PROGRESS)
- ❖ GAS ROYALTY REGIME CHANGES (ON HOLD)

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Coffee, Anyone?

VIPIR's business area analysis team is keen to share the latest news about their work.

If there's enough interest from stakeholders, the team will arrange informal, coffeehouse sessions at which they will answer questions about the project.

Please contact the Project Office if you would like to participate in a VIPIR coffeehouse. We'll report the level of interest (and the coffeehouse schedule, if this goes ahead) in the next issue of *VIPIR News*. ❖

READERS' FORUM

Do you have a question about the VIPIR project? Do you have a viewpoint you'd like to share with our readers? Is there anything you would like us to feature in VIPIR News?

Send your comments and questions to the VIPIR Project Office and we'll do our best to respond in upcoming issues of the newsletter.

Letters to the editor are also welcome. Space considerations may limit the number of submissions we can print. Submissions to VIPIR News must be signed and should not exceed 250 words. We reserve the right to edit all materials.

The VIPIR team has heard rumours that the project is cancelled. We want to assure our readers that the rumours are not true. **VIPIR's information management component is marching along at full speed.** The business area analysis phase is scheduled for completion this spring. VIPIR's gas royalty regime work is "on hold" until the implications of the new natural gas and natural gas liquids royalty regime have been assessed. ❖

STAFF NOTES

Ken Gerig is heading up the Department of Resource Development's NGL Volume Reporting, Cost and Valuation Team. Ken will serve as the VIPIR liaison to the NGL team.

Carol Harke recently joined the VIPIR team. Carol will assist project office manager Nabat Kassam.

Ian Macrae, an analyst with Pangaea Systems Inc., joined the project's business area analysis (BAA) team in January.

Laura Perry of *words strategy planning* is a technical writer who is helping the BAA team prepare their report.

The ministry's Chief Information Officer, **Lynda Fleming**, has assigned **Betty Yeung** (DRD) and **Gary Demofsky** (EUB) to a working group that will define and consolidate a set of ministry-wide data standards. Betty and Gary will work closely with VIPIR's BAA team and review the data models that are proposed for the registry. ❖