



April 16, 2010

Mr. Association Chairman
Association name

RE: Administration and Governance of the Marriott Report

The Surface Land Compensation Database (“the DB”) has been operating continuously since 1995, providing on-line area searches and aggregate analysis to all the major oil and gas operators, land consulting firms, industry associations and governments. While there have been many innovations in terms of data collection, quality control and distribution, universal acceptance of the DB has proved illusive. For example, even though there has been a nearly 60-70% commitment *in principle* from the largest drillers, the database only receives about 30-40% of all the surface leases taken. This has resulted in concerns by users about incomplete data and the accuracy of aggregative analysis.

The main supporters and sponsors of the DB are undertaking a comprehensive industry review of the objectives, principles, and operation of the DB. The purpose of this review is to determine what (if any) improvements can be made to the DB to increase its acceptance and participation, or whether the ongoing operation of the DB can continue to be justified. (See www.wdmarriott.com for background on the DB and terms of reference for the review.)

The primary concern in surface compensation today is the recent excessive cost escalation in Alberta and the ongoing effect of this on industry costs through future rent reviews. The estimated 125,000 freehold leases (well sites and facilities) in Alberta pay approximately \$400 million per year in rentals. The recent double digit percentage increases in rentals mean that rents are increasing \$50-60 million per year on existing leases. While there are many factors causing this escalation, a lack of quality information in the field will lead to bad decisions and the escalation in surface rates. The sole purpose of the DB is to provide fast, accurate, objective, and comprehensive pricing data to anyone who desires it. It is ‘one tool in the tool box’ that is necessary for the field agent to be adequately prepared for compensation negotiations.

Based on the views expressed in the preliminary review meeting on April 13, 2010 there was enough support of the DB objectives and principles to continue to examine alternatives to improve its reliability and credibility. The only other alternative to the DB (having brokers be custodians of the pricing data and have them distribute it via word-of-mouth) was not seen as a viable or effective way to maximize communication efficiency. One idea that emerged to improve the credibility of the DB was to have one of the trade associations take over its governance and administration (much the same way as the Real Estate Board governs and administers the MLS system). Marriott & Associates Ltd. would continue to be the DB administrator but under contract to the association. All other aspects of governance and administration including data standards, funding, access, user base maintenance etc. would fall to the association.

We are asking for your association to determine if it would like to take on this role. While we recognize that acceptance would be conditional upon many details, perhaps a first step is for your association to determine if it would be interested in principle. As the review of the DB is on a fairly tight time frame we ask that you address this first question as soon as possible. If you have any question please refer them to Bill Marriott (bill@wdmarriott.com).

(signed)

Susan Gramlich, Husky Energy
Don Ratcliff, Enerplus Resources

Scott Colebrook, ConocoPhillips Canada
Mark Bahan, Apache Canada

Ranked by total 2009 drilling - Alberta + Sask. + BC					
<u>Company</u>	<u>Contact</u>	<u>Phone</u>	<u>Email</u>		<u>Attend 13 th</u>
EnCana Corporation	Grant McLennan	645-3160	grant.mclennan@encana.com		yes
	Chris Bakker	645-2132	chris.bakker@encana.com		yes
Cenovus	Grant Phillips	766-6576	Grant.Phillips@cenovus.com		no
	Susan Johnston	766-4010	Susan.Johnston@cenovus.com		yes
Canadian Natural Resources	Scott Reed	517-6700	scott.reed@cnrl.com		yes
Husky Energy Inc.	Susan Gramlich	750-1389	susan.gramlich@huskyenergy.com		yes
Devon Canada Corporation	Kevin Stark	232-7100	kevin.stark@devoncanada.com		no, keep in 'loop'
Suncor Energy	Bob Maxwell	296-3039	bmaxwell@suncor.com		yes - alternate
ConocoPhillips Canada Limited	Jamie Fleck	260-8210	Jamie.m.Fleck@conocophillips.com		yes - alternate
Enerplus Resources Fund	Don Ratcliff	298-2213	DRatcliff@enerplus.com		yes
	Blair Scarratt	298-2699	BScarratt@enerplus.com		yes
Apache Canada Ltd.	Mark Bahan	303-5968	mark.bahan@apachecorp.com		yes
Paramount Resources Ltd.	Chuck Faulkner	290-3602	chuck.faulkner@paramountres.com		yes - alternate
Penn West Energy Trust	Alan Gagne	693-2993	allan.gagne@pennwest.com		no
PetroBakken Energy Ltd.	Buck Rainbird	265-1116	BuckR@standardland.com		yes - alternate
Taqa North Ltd.	Laurier Laprise	724-5297	Laurier.Laprise@Taqa.ca		yes
Crescent Point Energy	Ameeta Cordell	718-1791	acordell@crescentpointenergy.com		yes - alternate
ARC Energy Trust	Rob Pettifer	503-8640	rpettifer@arcresources.com		yes
Imperial Oil Resources Limited	Vince Eggleston	237-3880	vince.b.eggleston@esso.ca		yes - alternate
	Brad Misener		bradley.l.misener@esso.ca		yes - alternate
Centrica/Direct	Bob Wyonzek	290-6857	robert.wyonzek@directenergy.com		yes
Royal Dutch Shell plc	Michelle Smith	691-2687	Michelle.A.Smith@shell.com		
EOG Resources Canada Inc.	Steven Harrison	663-8453	steven_harrison@eogresources.com		yes
Galleon Energy Inc.	Mike Anderson	716-3220	michaelja@galleonenergy.com		yes
Baytex Energy Trust	Mike Longeway	750-1242	mike.longeway@baytex.ab.ca		no - too busy, will do survey
ISH Energy Ltd.	Judy McLellan	262-2244	judym@ishenergy.ca		
Quicksilver Resources Canada	Jason Gouw	538-5545	jgouw@qrinc.ca		no - mostly BC Crown, 20-30 wells AB
Anderson Energy Ltd.	Rick Kaminski	206-6003	rkaminski@andersonenergy.ca		yes
Harvest Energy	Colin Page	261-8249	colin.page@harvestenergy.ca		yes
Nexen Inc.	Ray MacEachern	699-5657	ray_maceachern@nexeninc.com		yes
Pengrowth Corporation	Eric Nelson	508-8915	Eric.Nelson@Pengrowth.com		yes - alternate
Murphy Oil Company	Ross MacKenzie	294-8904	ross_mackenzie@murphyoilcorp.com		no - will do survey
Fairborne Energy Ltd.	David Pyke	290-7711	dpyke@fairborneenergy.com		
NAL Resources	Pary Weiler	294-3600	pweiler@nal.ca		
Bonavista Energy Trust	Ted Anderson	514-7213	ted.anderson@bonavistaenergy.com		no
Talisman Energy Inc.	Kerry Shields	237-1234	KShields@talisman-energy.com		no
NuVista Energy Ltd.	Mark Buchanan	538-8559	mark.buchanan@nuvistaenergy.com		no - will do survey
Progress Energy Trust	Melanie Howard	539-1812	mhoward@progressenergy.com		yes alternate
Rife Resources Ltd.	Lee McDougall	221-0841	lmcdougall@rife.com		no - will do survey
Celtic Exploration Ltd.	Carrie Petrie	215-5329	cpetrie@celticex.com		no - out of country, will do survey
Trident Resources Corp.	Murray Phillips	770-1770	mphilips@tridentexploration.ca		
Advantage Oil & Gas Ltd.	Monte Hurt	718-8035	mhurt@advantageog.com		maybe, will do survey
Trilogy Energy Trust	Landon Whitlock	718-2337	landon.whitlock@trilogyenergy.com		no
Compton Petroleum Corp	Miguel Rodriguez	237-9400	mrodriguez@comptonpetroleum.com		
Black Pearl Resources	Margaret Ariss	539-1107	Margaret.Ariss@pxx.ca		yes