



Many of the issues we deal with in the oil & gas industry recognise no boundaries or borders; the issues The Centre for Energy Asset Management Studies (CEAMS) has been created to deal with are no exception – the current lack of available people with a broad understanding of the oil & gas industry that are educated/trained in all of the asset management disciplines: Production Accounting, Operations Accounting, Joint Venture and Land (contract, surface and mineral) and the looming shortage of people to fill the positions becoming vacant as result of the retiring baby-boomers.

Like most industries and the individual sectors within them, asset management is facing the aging “baby boomer” crisis with almost 60% of the staff being over 45 years of age and of them, 36% are over 50 years. In addition, the education provided to students currently emerging from specific “related” courses and programs no longer meets the needs of industry. This triple whammy of improperly trained entry-level personnel, staff taking early retirement and not enough people to fill all the upcoming vacancies, is and all happening at a time when the Asset Management workload is increasing and senior management is demanding higher and higher performance.

The Goal of CEAMS is to create a totally integrated, “high school to retirement”, Energy Asset Management education and training environment with clearly defined pathways leading to a recognised, professional career destination. This program will target new recruits to the sector, those considering a career change and those already employed in some aspect of the business wishing to broaden their skills and knowledge. The integrated program would provide solid baseline knowledge in all aspects of asset management through the 2-year Diploma program with specialties available in the 2nd 2-years of the 4-year Applied Degree program, both hopefully available through distance learning platforms or full-time day and part-time night courses.

By the end of November a detailed Business Case will be finalised for presentation to

Industry and Government. This Business Case will clearly and concisely state the fundamental reasons for supporting the creation of CEAMS. It will also provide very detailed ProForma revenue and expense projections for the first 3 – 5 years.

CEAMS is seeking to build a long-term relationship with a forward thinking Post-Secondary Institution that clearly understands the demographic and education/training realities of “today & tomorrow” and shares the ambitious vision of CEAMS. The selected Institution must be prepared to venture “outside the box” in terms of sharing responsibility for program development as well as investigating emerging and perhaps as yet un-thought-of methods of funding and delivery; potentially even looking beyond our borders for a shared, internationally recognised degree. Over the next month we will be selecting the best institution from the 6 or 7 responses to our RFP.

The Centre is now a fully constituted non-profit society under the Societies Act of Alberta. The recently elected Board of Directors of CEAMS are all representatives of the Founding Partner Companies – Anadarko Canada Corporation, Burlington Resources Canada, Canadian Association of Petroleum Land Administration, Devon Canada Corporation, EnCana Corporation, Husky Energy and Petro-Canada; as well as sponsoring companies Krang Energy (now Viking Energy Trust) and Hunt Oil Canada.

Perhaps the most interesting part about the creation of CEAMS is the traction this concept is receiving with E&P company management. Breaking down the barriers between the traditionally “siloes” disciplines of asset management is similar in many ways to the creation of “business units” in the technical aspects of the industry. Management of these companies clearly understand the benefits of having all related disciplines talking to each other on a regular basis and, in fact, working each case through together. Based on the research done to date, it is suggested that savings in the hundreds of millions of dollars can be

realised each year through eliminating corrections, incorrect royalty payments, land contracts being attached to the wrong well files and the cost of having to hire consultants to track down and correct all these errors. It is unfortunate the root causes of the problems/errors (improper training and no communication between silos) can not be corrected at the same time.

If all goes according to plan, the first Applied Degree graduates will “come off the line” in the spring of 2010, with a broad base of cross-industry knowledge, fully functional in all areas of asset management, with the exception of individual companies’ proprietary information systems.

If you would like more information on CEAMS, please send your request to:
Roger Rowley
Project Manager
Centre for Energy Asset Management Studies
403-244-8175, or
Roger.Rowley@telus.net

Stay Tuned, there’s more to come!

Editor’s Note – CAPLA is one of the Founding Partner Companies for the CEAMS project and one of NALTA’s Conference speakers in San Diego was Gale Breen, who is Vice Chair on the CEAMS Board of Directors. For more information on the CEAMS project and the CAPLA organization make sure you visit the following websites: www.caplacanada.org and www.ceams.org.