

CSA STAFF NOTICE 51-309**NATIONAL INSTRUMENT 51-101
STANDARDS OF DISCLOSURE FOR OIL AND GAS ACTIVITIES****ACCEPTANCE OF CERTAIN FOREIGN PROFESSIONAL BOARDS
AS A "PROFESSIONAL ORGANIZATION"****January 23, 2004****Introduction**

Pursuant to a Mutual Reliance Review System Decision Document dated January 6, 2004¹, the Canadian Securities Administrators (CSA) have added the following professional boards in the United States (collectively, the Boards) to the list of accepted professional organizations for the purposes of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (NI 51-101):

California

California Board for Professional Engineers and Land Surveyors,

Colorado

State of Colorado Board of Registration for Professional Engineers and Professional Land Surveyors,

Louisiana

Louisiana State Board of Registration for Professional Engineers and Land Surveyors,

Oklahoma

Oklahoma State Board of Registration for Professional Engineers and Land Surveyors,
and

Texas

Texas Board of Professional Engineers.

Accompanying Documents

A comprehensive list of "professional organizations" accepted for the purposes of NI 51-101 accompanies this notice.

Background

NI 51-101 requires reporting issuers to appoint one or more qualified reserves evaluators or reserves auditors to report to its board of directors on its reserves data (section 3.2). To be

¹ MRRS Decision Document dated January 6, 2004 *In the Matter of... National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities (NI 51-101) ... and ...*[the professional boards named in this CSA notice].

"qualified", a reserves evaluator or reserves auditor must possess appropriate professional qualifications and experience, and be a member in good standing of a "professional organization" (subsections 1.1(x) and (y)).

The definition of "professional organization" in subsection 1.1(w) has four elements:

- (w) "*professional organization*" means a self-regulatory organization of engineers, geologists, other geoscientists or other professionals whose professional practice includes *reserves evaluations* or *reserves audits*, that:
 - (i) admits members primarily on the basis of their educational qualifications;
 - (ii) requires its members to comply with the professional standards of competence and ethics prescribed by the organization that are relevant to the estimation, *evaluation*, *review* or *audit* of *reserves data*;
 - (iii) has disciplinary powers, including the power to suspend or expel a member; and
 - (iv) is either:
 - A. given authority or recognition by statute in a Canadian jurisdiction; or
 - B. accepted for this purpose by the *securities regulatory authority* or the *regulator*.

CSA staff reviewed relevant documentation concerning each Board's authority and recognition, membership requirements and disciplinary powers and concluded that:

- each Board has been given authority and recognition by its respective state legislation, and
- each Board's membership requirements satisfy the criteria set out in the definition of "professional organization" in paragraphs 1.1(w)(i), (ii) and (iii) of NI 51-101.

The CSA believe that acceptance of each of the Boards is not contrary to the public interest and will facilitate compliance with NI 51-101, by enabling reporting issuers that are active in the United States to continue the traditional, and acceptable, practice of engaging US professionals whose qualifications are consistent with the objectives of NI 51-101.

Acceptance of Professional Organizations does not Supersede Requirements Governing Profession

Acceptance of the professional organizations by the CSA under NI 51-101 is only for the purposes of NI 51-101. The regulation of a profession in a jurisdiction, and any local requirements for or restrictions on professional membership, practice or proficiency, are not altered. Membership in a professional organization accepted for purposes of NI 51-101 does not by itself necessarily entitle a person to practise as a reserves evaluator or reserves auditor in another jurisdiction under the local laws governing the engineering, geological or other professions.

Questions

Please refer questions to:

Jo-Anne Bund

Legal Counsel

Alberta Securities Commission

Phone: (403) 297-7274

e-mail: joanne.bund@seccom.ab.ca

Fax: (403) 297-6156

Address: 4th Floor, 300 – 5th Avenue S.W.
Calgary, Alberta T2P 3C4

**NATIONAL INSTRUMENT 51-101
STANDARDS OF DISCLOSURE FOR OIL AND GAS ACTIVITIES**

PROFESSIONAL ORGANIZATIONS

This list, revised January 6, 2004, supersedes the list of organizations set out in section 1.5(b) of Companion Policy 51-101CP.

Each of the following organizations is a *professional organization* for the purposes of NI 51-101:

Canada

Association of Professional Engineers, Geologists and Geophysicists of Alberta (APEGGA)
Association of Professional Engineers and Geoscientists of the Province of British Columbia (APEGBC)
Association of Professional Engineers and Geoscientists of Saskatchewan (APEGS)
Association of Professional Engineers and Geoscientists of Manitoba (APEGM)
Association of Professional Geoscientists of Ontario (APGO)
Professional Engineers of Ontario (PEO)
Ordre des ingénieurs du Québec (OIQ)
Ordre des Géologues du Québec (OGQ)
Association of Professional Engineers of Prince Edward Island (APEPEI)
Association of Professional Engineers and Geoscientists of New Brunswick (APEGNB)
Association of Professional Engineers of Nova Scotia (APENS)
Association of Professional Engineers and Geoscientists of Newfoundland (APEGN)
Association of Professional Engineers of Yukon (APEY)
Association of Professional Engineers, Geologists & Geophysicists of the Northwest Territories (NAPEGG) (representing the Northwest Territories and Nunavut Territory)

United States

California Board for Professional Engineers and Land Surveyors
Louisiana State Board of Registration for Professional Engineers and Land Surveyors
Oklahoma State Board of Registration for Professional Engineers and Land Surveyors
State of Colorado Board of Registration for Professional Engineers and Professional Land Surveyors
Texas Board of Professional Engineers