

2007 WCSS MEMBERSHIP INVOICE PACKAGE

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BACKGROUND INFORMATION

- Under current regulations upstream oil and gas companies must maintain an approved oil spill contingency plan or be a member in good standing with an oil spill cooperative (see EUB Directive 071, B.C. Pipeline Act/Regulations, Saskatchewan Storage Guidelines).
- WCSS is a non-profit entity owned and directed by the upstream petroleum industry (CAPP, SEPAC, and CPPI Pipelines).
- WCSS includes 6 Zones with a total of 18 oil spill cooperatives managed through Enform, an Executive Committee, Cooperative Chairmen & Alternates, Area Steering Committees and contract area administrators / equipment custodians (see our website www.wcss.ab.ca).
- WCSS resources include:
 - Access to oil spill contingency plans that are specific to each cooperative area.
 - Initial spill response equipment in each cooperative area
 - Access to regional and specialized spill response equipment
 - Training programs in each cooperative area on an annual basis.
 - Spill response assistance if appropriate (at discretion of Cooperative Chairman)
 - Information sharing and benefits of the organization's promotional program.
 - Opportunity to have a voice at the cooperative level and influence the Corporation's decisions

Petroleum Industry's Commitment to Spill Preparedness and Environmental Protection

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2007 BUDGET PROCESS AND MEMBERSHIP FEE STRUCTURE

BUDGET PROCESS

The 2007 budget process consists of the following components:

- Budgets are prepared by each area cooperative and submitted with the central budget in November.
- Budget requests are reviewed by the WCSS executive committee and discussed at the annual cooperative chairman’s meeting in November.
- A budget and membership fee structure with options and a recommendation from the executive committee is prepared for the Board of Directors.
- The 2007 budget and membership fee structure is reviewed and approved at the WCSS Board of Director’s December meeting.

The following shows where 2006 membership fees were spent and outlines where the total 2007 WCSS revenue (approx. \$1.6m) will be allocated:

Description	2006	2007
Capital Equipment	22%	16%
Area Cooperative Activities	32%	30%
Management Services	17%	22%
Equipment Maintenance/Supplies	13%	12%
Insurance/Professional Fees/Office	6%	6%
Education / R & D	5%	8%
Specialized Training	3%	4%
Spills of Unknown Origin	2%	2%

- The membership fee structure is based on a flat service fee, well counts and pipeline data (km of pipeline) that is provided to WCSS by regulatory agencies at January 1st, 2007.
- The 2007 membership fee structure has been increased by 5% to ensure that WCSS can continue to maintain our capital equipment and manage normal cost increases for services provided. This is the 1st membership fee increase for several years.

MEMBERSHIP FEE STRUCTURE

2007 Membership Fee Structure

This year's billing structure is as follows:

Flat Service Fee per Company: \$315.00

Well Fees:

# Wells	Fee Per Well
Up to 19	\$43.00
20 to 199	\$24.00
200 to 299	\$21.00
300 +	\$6.50

Pipeline Fees:

Pipeline Length	Flat Rate
1-10KM	\$152.00
11-50KM	\$440.00
51-250KM	\$2,031.00
251-500KM	\$4,180.00
501-1000KM	\$8,360.00
1001-3000KM	\$13,110.00
3000KM+	\$21,266.00

WESTERN CANADIAN SPILL SERVICES LTD. **MEMBERSHIP CHARTER**

NAME

Western Canadian Spill Services Ltd.

PURPOSE

The purpose of Western Canadian Spill Services Ltd. (WCSS) is to maintain an effective spill response capability for the upstream petroleum industry in Western Canada and to provide information and education on spill issues including spill prevention.

MEMBERSHIP

Membership is available to all upstream petroleum licensees in Alberta, NE British Columbia and in the Saskatchewan portion of the VR1 Oil Spill Cooperative for the following types of operations:

- wells
- facilities
- licensed pipelines

MEMBERSHIP OBLIGATION

- WCSS members must pay their annual membership fees based on well counts, facility counts and pipeline kilometers.
- WCSS members are required to sign an equipment use agreement prior to utilizing WCSS spill equipment for training purposes and/or spill response activities. In the event that the member is unable to sign the agreement prior to dispatching the equipment to the site; that member will be held responsible (same conditions as WCSS Equipment Use Agreement) for the equipment until such time as that member signs the equipment use agreement.

WCSS members should:

- Strive to be in compliance with regulatory requirements related to spill preparedness; including training requirements (i.e. attending annual Oil Spill Cooperative exercises).
- Conduct a spill risk assessment for their operations and implement adequate risk control measures where required.
- Maintain a copy of the WCSS Oil Spill Contingency Manual that is specific to each of the Oil Spill Cooperatives where that member operates.
- Familiarize themselves with oil spill control points in surface water downstream from potential uncontrolled release sites.
- Identify local external spill response resources that may be required to supplement internal resources and those provided by WCSS.
- Participate in Oil Spill Cooperative activities where possible.

NEW MEMBERSHIP PROCESSES

WCSS members and/or new companies that move into a new Cooperative area throughout the year should register with the Oil Spill Cooperative through the Cooperative Administrator.

AMENDMENTS

Amendments to this charter must be approved by the WCSS Board of Directors.

DATE SUBMITTED

December 9, 2004

DATE APPROVAL

December 9, 2004



Larry Bell, VP Exploration & Production, Husky Oil
Chairman, WCSS Board of Directors

2007 WCSS Exercise Schedule

<u>Zone</u>	<u>Exercise Type</u>	<u>Coop Area</u>	<u>Location</u>	<u>Date</u>
1	Joint Exercise - 35th Year Co-op Anniversary	Area P	Bow River	September 26, 2007
	Lake Equipment Deployment Exercise	Area Q	McGregor Lake	June 13, 2007
	Equipment Deployment Exercise	Area S (joint with Area O)	Red Deer River Near East Coulee	June 6, 2007
2	Classroom/Dryland Exercise	Area H	TBA	May 30, 2007
	Classroom - Spill Responder	Area M	Sundre West Country Centre	March 7, 2007
	Table Top - Awareness Level Training	Area N	TBA	September 19, 2007
	Equipment Deployment Exercise	Area O (joint with Area S)	Red Deer River Near East Coulee	June 6, 2007
	Classroom - Spill Responder	Area U	Hardisty	June 21, 2007
3	Classroom - Spill Responder	Area G	Drayton Valley	April 25, 2007
	Classroom - Spill Responder	Area I/J	Mornville	March 22, 2007
4	Classroom - Spill Responder	Area D	Red Earth	April 11, 2007
	Lake Exercise	Area D	Slave Lake	June 20, 2007
	River Equipment Deployment Exercise	Area W (joint with Area E)	Athabasca River	September 6, 2007
5	Classroom/Dryland Exercise	Area VR-1	Bonnyville	May 9, 2007
	Lake Exercise	Area VR-1	Big Gully at Gull Lake	September 12, 2007
	Large Scale Partner Joint Exercise - Equipment Deployment	Area Y	TBA	September 13, 2007
6	Classroom - Spill Responder	Area A	Rainbow Lake	May 23, 2007
	Classroom/Dryland Exercise	Area C	Fort St. John	June 13, 2007
	Muskeg Exercise	Area C	Fort Nelson	September 12, 2007
	River Equipment Deployment Exercise	Area E (joint with Area W)	Athabasca River	September 6, 2007
	Table Top - Awareness Level Training	Area T	TBA	October 3, 2007