

Chapman Petroleum Engineering Ltd.



Back row Left to Right: Konstantin Zaitsev, Lya Lamoureux, Rebecca Howe, Wei Wang, Khaled Latif, Grace Teh, Klorinda Kaci and Denis Briere. Front row seated Left to Right: Svetlana Simeons, Ann Chapman, Charlie Chapman and Roger Sakatch.

THIRTY-FIVE YEARS

IN THE MAKING

Chapman Petroleum Engineering celebrates milestone anniversary

by Jamie Zachary with photos by Riverwood Photography

It's 1985 and Charlie Chapman has just ventured off on his own to create what would eventually become Chapman Petroleum Engineering.

Long behind him was the sun-drenched fields from the small central Alberta mixed farm he'd grown up on ... the years of study at the University of Alberta ... those formative days at Sun Oil.

It was a moment of realization for Chapman — one that required tapping into his roots for inspiration.

"There's a sense of urgency you get when growing up on a farm," Chapman says as he leans across his desk at the Calgary beltline office. "When the cows are out, you don't go in for cookies. You get the cows back in and then head in."

Chapman did just that, rounding up the cows and then some in guiding his diversified petroleum engineering consulting firm to its 35th anniversary in 2020.

More than 1,200 clients.

More than 6,000 projects.

More than 55 countries.

More than Chapman could have ever envisioned.

"In 1985, I was looking from one day to the next," he recalls. "What's been the key to our longevity? So many things. I think the biggest thing was as the business changed, we found ways to succeed by adapting — by looking for opportunities elsewhere."

Chapman Petroleum Engineering Ltd.



Charlie and Ann Chapman.

One of those early breaks came as Chapman turned the company's attention internationally – growing its portfolio of reserve and economic evaluations for purposes such as annual financial reporting, acquisitions and divestitures, and securities underwriting.

"A lot of where we really started to lift off originated with Calgary clients who were getting involved

with international projects," says Chapman. "We got involved with how these countries ran their business. And we've since put together models for a lot of countries around the world for the various fiscal regimes they have."

Today, Chapman Petroleum Engineering offers a catalogue of services. As Chapman himself describes it, "Our slogan is no job is too small, no job is too big."

However, the core of Chapman's business continues to be reserve and economic evaluations and resource assessments, which have helped bring several high-profile companies public to the exchanges in Canada, Hong Kong, London and Oslo, among others.

Even as early as the mid-1980s and early 1990s, Chapman Petroleum was instrumental in many of the listings on the Toronto Stock Exchange, including Olympia Energy, Canadian 88, Canadian Superior, Neutrino and Vermilion.



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CONGRATULATIONS

Chapman Petroleum Engineering on 35 years!

We wish you many more years
of continued success.

"We evaluated the first well for Vermilion Energy for a roll-in for their public listing and continued to evaluate their company through their early growth stages," says Chapman. "We've established a really nice relationship with the stock exchanges." The company's scope has continued to expand to include specialized technical services such as petrophysical analyses, well test design and analysis, formation evaluation (DST) and geological mapping.

And in the vein of "no job is too big," Chapman Petroleum even offers management assistance.

"Because of our diversified staff, we've been seconded to co-ordinate various well-drilling programs, including a recent project involving the management of up to 170 producing wells in Alberta," says Chapman.

Some of Chapman's proudest moments have been the company's regulatory involvement, including being part of legal applications and hearings, as well as in providing expert witness testimony.

Chapman himself just recently wrapped up a three-year term on the Oil and Gas Committee of the Canada-Newfoundland & Labrador Offshore Petroleum Board, which is a five-participant committee called upon to organize and preside over regulatory hearings.

Chapman Petroleum has also found itself in international dispute resolutions. The company has provided expert witness testimony in forums such as the International Chamber of Commerce in Switzerland. Separately, Chapman Petroleum was an adviser to the Ministry of National Infrastructures in Israel in a dispute between the petroleum commission and an operator that, upon resolution, went on to make the first on-land oil discovery in that state.

Moving forward, Chapman Petroleum is going back to the future, so to speak. In 2004, the company was part of a Canada-Kazakhstan umbrella project designed to foster joint venture agreements between the two countries. Over the next decade, Chapman Petroleum successfully worked on several projects for operators in Kazakhstan, including KazMunayGas, the state-owned oil and gas company of Kazakhstan.

In the last couple years, the company has re-initiated its presence in Kazakhstan through the founding of Chapman Petro Consulting with a 50 per cent

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***Chapman* Petroleum Engineering Ltd.**

partner in Kazakhstan. Under this arrangement the company is assisting with the government's initiative to reclassify and record the country's reserves under the international Petroleum Resources Management System (PRMS).

"That's where our real growth focus is right now," says Chapman. "We're seen in Kazakhstan as an expert in that area."

While the company's new venture in Kazakhstan is emerging alongside other projects in countries such as Azerbaijan, India and Mali – where Chapman has been co-ordinating the evaluation and development of the first known pure-hydrogen reservoir – Chapman believes there continues to be a lot of unrealized opportunities locally. He points specifically to gas-rich areas of the Western Canadian Sedimentary Basin that extends between Saskatchewan, Alberta and northeast British Columbia.

"I'm on an advisory board for a company that's doing a gas-to-liquids project, and I know another associate who is working on a similar project. Given these projects, along with the coal conversion to gas for electrical generation, I see the natural gas business getting stimulated," he says. "And I see that being a big uplift for the oil and gas industry in Western Canada. That's where the opportunity is for growth."

Chapman says the company's longevity hasn't existed in a vacuum. He credits his staff as being some of the best in their fields.

"We have a diversified spectrum of experience from people from across the globe," says Chapman, noting members of his 15-person international team hail from countries such as China, Russia, Kazakhstan and Albania. "Everyone in this company has special skills, including several languages, that contribute to the group. It's a very unique group and I'm very proud of them."

He also feels everyone is willing to roll up their sleeves to get the job done – himself included. "One of the lessons I learned early on is that people at the top must participate in the billing along with the other professionals and staff. Everyone has to

carry their weight. That's how we've managed to survive," he says.

Lastly, Chapman says, "clients sense we really care about them. We work extremely hard to meet their deadlines, and we take our professional responsibilities to society and public very seriously."

That's a message echoed by Kal Latif, geoscience manager at Chapman. With more than 35 years of experience working for major players such as Total, BG Group and Encana, Latif was a former client before joining the team full time.

"The team is unique. The way they deal with clients is unique. You feel the compassion that they are looking after your needs. You feel listened to," says the Egyptian-born Latif, who has called Canada home for the past 25 years. "Many companies will have their own way of doing things. Chapman, however, listens and makes appropriate adjustments to the client's needs."

Latif adds that because of his international exposure with several major industrial oil and gas players, he, like many others at Chapman, possess the added benefit of having been on the other side of the table.

"We understand our clients' needs better. We know what they mean when they ask for something. We can add better value," says Latif.

Chapman says, "The last cold-call I made was in 1987. Since then, we have continued by word of mouth and repeat business. I had a client who called me this week who we started doing work for in 1985 – one of my first clients."

"The best marketing you can do in a professional services company is to do good work."

Visit chapeng.ab.ca to find out more about Chapman Petroleum Engineering.

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