

GULF OF MEXICO OPERATORS ADOPTING SEGMENTED, PORTFOLIO ANALYSIS TO COPE WITH PRICE-COST SQUEEZE Shelf/Slope Study to Assess "Strategy Areas" For F&D

Hank Kelly Jr., V.P., Offshore & Richard Tucker, V.P., Marketing

Most companies operating the 7,500 active hydrocarbon leases in the Gulf of Mexico are adopting new criteria for evaluating their Gulf prospects to prepare for a potentially extended "price-cost squeeze" and a possible shakeout among lease interest holders, indicates a review by Ziff Energy Group.

An informal Ziff survey, plus the results of our recent benchmarking studies in the Outer Continental Shelf (OCS) and Deepwater areas, indicate a large majority of Gulf operators believe they *need to set new criteria* to make the right capital spending, exploration, drilling, purchase and sale decisions in a very challenging, low price environment.

EMERGING STRATEGY AREAS

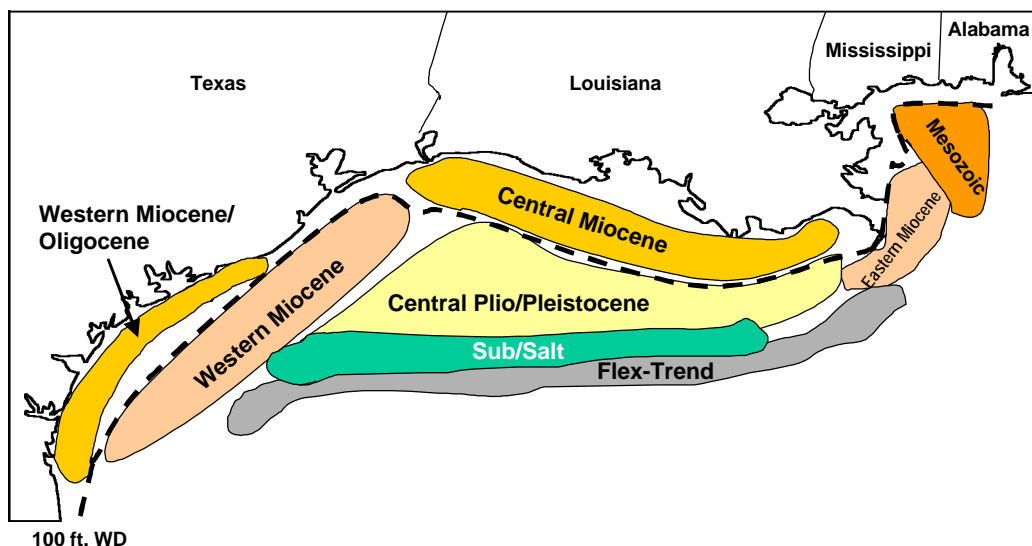
About 8 distinct 'strategy areas' (see map below) appear to be emerging, in which substantially different geologic and economic considerations require portfolio analysis in order for operators to evaluate comparative performance and understand their real competitive strengths.

Ziff Energy is designing the study with client input to refine preliminary strategy areas based on company-proprietary information, and to evaluate data needs in categories such as:

- finding and development costs
- production replacement
- capital spending
- acquisitions and divestitures
- reserve valuations
- leasing
- technology (geophysics)
- development systems
- drilling activity
- drilling & completion costs.

Based on the structure and priorities defined by the advisory group, ZEG will conduct a *Gulf of Mexico Finding and Development (F&D) Cost Study* focusing on each principal strategy areas, and providing participating companies with a confidential, blinded, strategy area-level competitive comparison versus peer companies. In addition the application of technology by strategy area will be evaluated. The study will begin in Q1 of 1999, with delivery scheduled in Q3 1999.

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MIDSTREAM GAS PROCESSING OWNERSHIP TRENDS

Change is Under Way

Peter Eaton, Manager, North American Gas Strategies Service

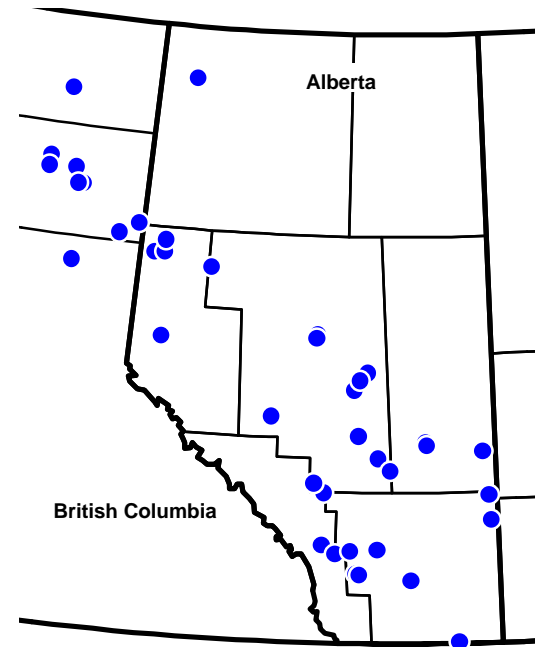
A recent trend in the midstream business in Western Canada has been the increasing involvement of third party processors. Third party processors are defined as companies for which gas processing is the main business line, and excludes financial owners and royalty trusts where gas processing is not the sole function of the company. In 1997 third party processors (including Westcoast Energy) accounted for 19% of gas processing capacity in Western Canada. This share is much lower than the 60% share of the U.S. market that is held by third party processors. Major U.S. midstream companies are actively seeking to establish a position in the Western Canadian midstream market. The map shows the location of all 3rd party owned and operated plants within regions of Western Canada.

Ownership of gas processing assets in the WCSB has been considered strategic by producers and ownership is heavily concentrated in their hands (81% in 1997). Western Canadian producers have traditionally assembled large contiguous parcels of property, and the ownership of gas processing assets is considered critical to controlling the pace of development of these prospective lands and gas production. Processing can also provide additional cash flow, and provides tax writeoffs.

But producers that own these assets are facing low oil prices and low prices for natural gas liquids and sulphur. These factors are reducing cash flows and impacting capital spending plans, yet some gas processing assets need significant capital for expansion. A sale of the assets would solve both problems.

The potential for growing production and processing services due to the increase in export pipeline capacity, Northern Border in 1998, 2000, and Alliance in late 2000, has increased the attractiveness of Western Canadian midstream assets to U.S. midstream companies. For many buyers, ownership of gas processing assets provides attractive returns, in addition to a beachhead in a stable business environment with excellent growth prospects.

Location of 3rd Party Gas Plants



But producers have been reluctant to part with these strategic assets. The sale of gas processing assets has not matched the pace of corporate mergers and acquisitions activity. The several large transactions involving gas processing assets provide clues as to what types of deals work in this environment. Some key elements are:

- the seller retains some interest (direct or indirect) in the assets
- the seller signs a term contract for processing services
- cash is paid out by the buyer, and is used for debt reduction by the seller
- responsibility for capital expenditures is passed to the buyer
- the incoming party takes over responsibility of business development for the assets (usually increasing capacity utilisation).

WHY BENCHMARK IN 1999?

Derril J. Stephenson, V.P., Corporate Services, Canada

With the current low oil price, many companies may be asking themselves if they should save a small amount of money and not purchase benchmarking studies in 1999. This is a legitimate question. Those companies that are leaders know that understanding their business and how their company compares with competitors is crucial in this tough environment. The ZEG benchmarking studies offer an in-depth analysis of corporate F&D strategies and RFOC asset groups to understand this relationship. The studies provide the best rate of return you will get in 1999 on your investments.

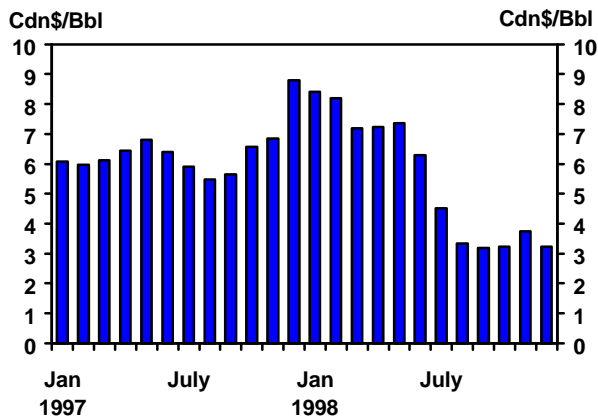
Ziff Energy benchmark studies provide an analysis of 11 **Finding and Development** strategies and 12 **Reducing Field Operating Cost** asset groups in the Western Canadian Sedimentary Basin. Historically, finding and development and operating costs are dynamic and variable. The range in F&D costs is nearly 2:1 for oil and approaches 3:1 for gas. Operating costs can range by over five times between the lowest and highest fields in a peer group.

Reported oil well completions have dropped 65%, from 8,510 in 1997 to 3,140 for 1998, but the average depth has increased by 28%, indicating a change in strategy in the industry. Reported gas well completions have fallen slightly from 1997 levels to 4,585 wells in 1998. This high level of activity is geared to fill the major gas pipeline capacity projects during late 1998 to 2001. Finding and development costs and field operating costs would normally be expected to improve in 1998 reflecting the cost benefits of the reduced activity levels. However the increased cost efficiency may be offset by negative reserve revisions caused by the 1998 low oil price. An area of increased focus in our next F&D study will be the economic analysis of exploration and development activities. F&D cost sensitivities will be most useful for operational and strategic planning in these turbulent markets.

Our next RFOC study will provide a heightened focus with an in-depth analysis of a **special topic, Well Servicing and Workovers in 1999**. By examining these selected areas in detail, more specific conclusions and recommendations will lead to immediate cost performance improvement.

Heavy oil operating costs should benefit from optimization steps taken in 1998 to reduce operating costs. *The light/heavy oil price differential has narrowed significantly over the past year.* Ziff Energy Group plans to continue its Heavy Oil Benchmarking Study in this important Canadian reserve area.

**Light/Heavy Oil Price Differential
(Edmonton Light Sweet vs. Hardisty Heavy)**



The ZEG 1999 Corporate X-Ray Studies can provide you with useful insights to your business to improve performance in these challenging times. These studies are widely acknowledged as the *industry leader* in North American benchmarking analysis. Participants can examine best practices in technology and operations to pinpoint opportunities to improve operating costs and focus finding and development activities. They are the *best rate of return you will get* all year on your investments.



ZIFF ENERGY DELIVERS GULF OF MEXICO - SHELF “REDUCING FIELD OPERATING COSTS/BEST PRACTICES” STUDY Deep Water Study Nearing Completion

Adrian Goodisman, V.P., E&P Services & Drew Low, Senior Associate

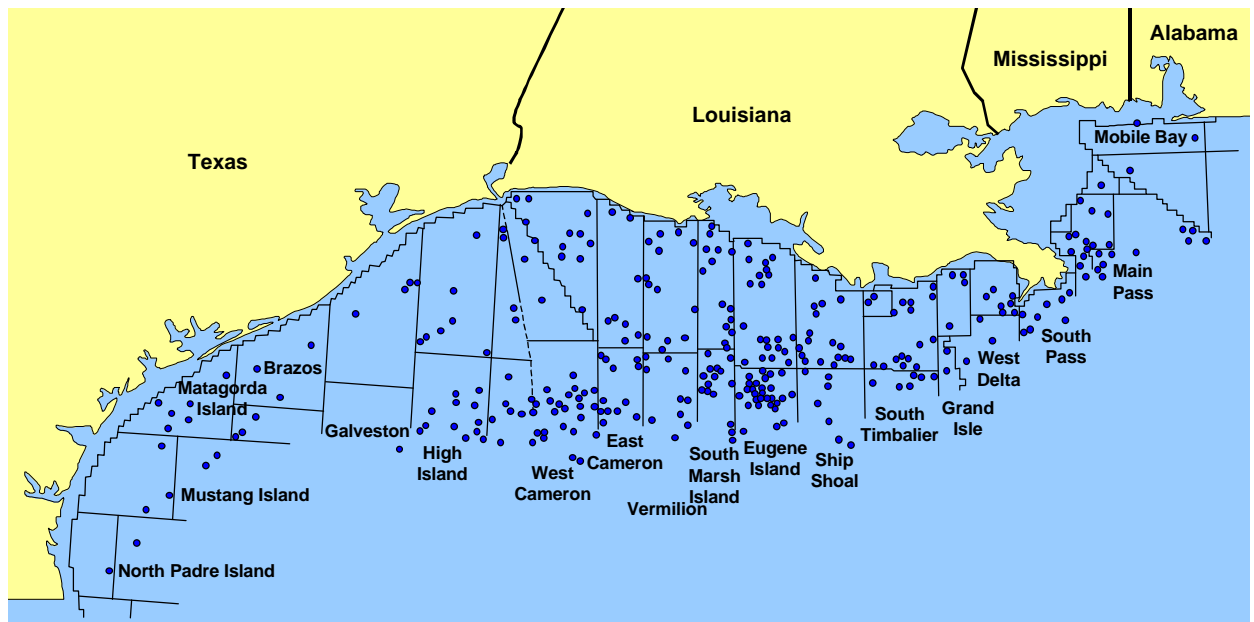
The recently completed **Gulf of Mexico (Shelf) Reducing Field Operating Costs/Best Practices (RFOC)** study is the most comprehensive analysis ever undertaken that compares *field level operating costs*, and searches out *best operating practices* in the Shelf. The study analyzed 312 offshore fields for 24 companies, amounting to more than US\$ 1 Billion in annual operating expenses. Total production in the study is approximately 5 Bcf/d gas and 350 MBbl/d oil from 8,025 wells. The final report provides companies with a detailed ‘Cost Performance Signal’ for each of their fields identifying “above average” and “leader” costs in each of 19 cost categories, and exactly quantifying potential savings (e.g. \$/McfE). Additionally, clients received a broad review of “leader practices” in a variety of operational areas (e.g. transportation, labor, compression, platform maintenance, etc.).

In the Shelf Study, 15 Asset Groups were used to subdivide fields by gas or oil phase, vintage of production system, and distance from shore,

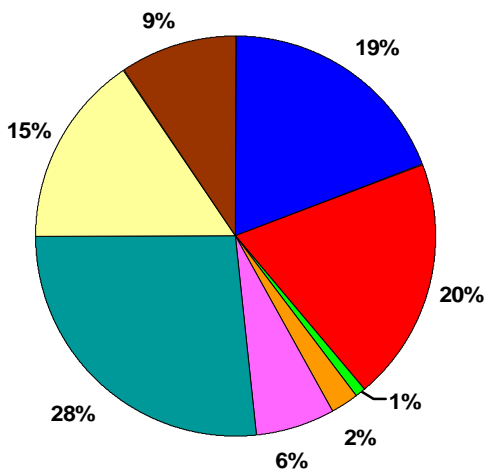
resulting in very high quality comparisons. More than 30,000 separate data items are included in the relational databases used for the quantitative analyses of the fields. Another 10,000 information items are included in the **operating practices database** which were obtained from questionnaires and through field interviews.

The field weighted average unit operating cost for the 9 **gas** asset groups in the Shelf Study is about **40 cents per McfE**. The field weighted average unit operating cost for the 6 **oil** asset groups in the Shelf is over **US \$3.00 per BOE**. The **largest single cost component** for Shelf offshore operations is **Labor and Field Supervision** which accounts for more than a quarter of the operating expenses in both gas and oil fields. **Transportation** is the second highest operating cost in gas fields, but interestingly, Surface Repairs and Maintenance (which includes Rotating Equipment maintenance), and not transportation, is the second highest cost category for oil fields.

Fields in Gulf of Mexico Study



Breakdown of Total Shelf Operating Costs (Gas and Oil)



Well Servicing	Surface R & M
Purchased Fuel	Chemicals
Contract Services	Labor & Supervision
Transportation	Miscellaneous

In addition to the comprehensive questionnaire designed to collect information on operating practices, over two dozen *field interviews* were held with clients at offices ranging from corporate headquarters in Houston and New Orleans to field offices and shore bases in locations such as Lafayette, Louisiana, and Harbor Island, Texas. ZEG's regional operations consultants and associates collected thoughts and extensive comments from operating company personnel at all levels. Field organizations, skill levels, crew size, staffing levels, performance incentives and use of contract labor are some of the issues evaluated in detail in the study.

Boat and helicopter transportation utilization, another significant expense in offshore operations, is one of the areas where study participants are seeking leading practices in the continuing quest to reduce field operating costs. The study revealed that **sharing transportation** is one of the most

important keys to achieving better, cheaper, faster results in the Gulf of Mexico. *An Operating Practices Workshop*, where leader practices are openly discussed among study participants, is the final step in this year's program and will be held in early February 1999.

In 1999, the GOM Shelf #2 study will analyse 1998 cost data and will likely focus on new operating practices not covered in the first study. One potential practice area would be Wellservicing/Workovers which amounts to a fifth of all expense dollars spent offshore. If you would like more information on the Shelf #2 study, please call Richard Tucker, VP Marketing and Client Services at 1-888-736-5780.

DEEPWATER UPDATE

The Gulf of Mexico (Deep) Reducing Field Operating Costs Study, is following closely behind the Shelf analysis. In this study, 10 participating companies submitted data on *30 deepwater fields*, representing about *80% of the total Deepwater production* in the Gulf.

The Deepwater study begins where the Shelf study ends, at about 600 ft WD and continues outward to a field water depth of over 5000 ft. This study is focused very much on the operating costs of development systems employed in these water depths: Jacket or Compliant platform, Floating or Tension Leg, and Subsea systems.

USE OF OFFSHORE DATABASES

With the completion of the Shelf study, and the near completion of the Deep Water study, offshore operators around the world have a very powerful tool to manage their business, especially in a period of low commodity prices. The databases contain detailed operating cost and practices information on nearly 350 Gulf of Mexico fields, the **largest detailed offshore operating cost database in the world.**

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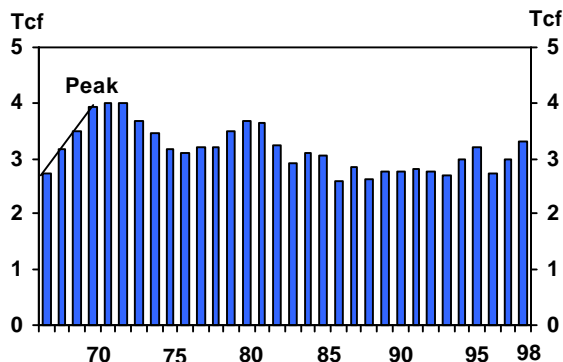


OIL VERSUS GAS IN ELECTRICITY GENERATION: New Competition

Dr. Thomas Woods - V.P., U.S. Gas Services

Gas sales to generate electricity grew steadily through the early 1970s (Figure 1), peaking at 4 Tcf in 1970-72. After 1970-72, gas sales to generate electricity declined about one third until they stabilized at 2.7 Tcf per year from 1986 to 1993. In 1994-95, gas sales surged, and in 1998 they surged again, and could approach 3.3 Tcf for the year. This would be the highest level of gas sales since 1982, and could at last mark the onset of the long-awaited growth in gas sales to generate electricity.

Figure 1
Gas Sales to U.S. Electric Utilities

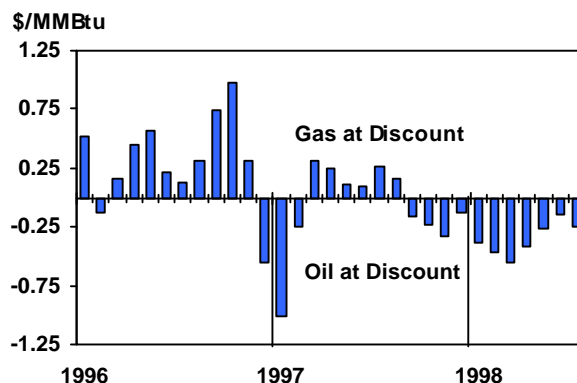


Although gas sales to generate electricity may at last have begun their long-awaited growth, it comes at a time when gas may have lost its price competitiveness with oil in electricity generation. With only a few exceptions, gas prices to electric utilities have been less than oil prices over the last 50 years. Since the recent decline in oil prices, this competitive picture has changed.

Since September 1997, oil prices to electric utilities have been less than gas prices, sometimes by as much as 50 cents per MMBtu (Figure 2). As a result, just when the market is about to demand more gas to generate electricity, oil may capture that increased demand and even displace some current gas sales unless gas prices can become competitive again.

In 1993, the last time oil prices were less than gas prices for a significant period of time, some evidence was seen of fuel switching from gas to residual fuel oil in electricity generation. Although fuel switching only displaced about 2% of gas-fired generation of electricity, oil-fired generation may have also captured some growth as well.

Figure 2
**Average Monthly RFO/Gas Price Differential:
Sales to U.S. Electric Utilities**



alternative to gas-fired generation when gas prices get too high.

If oil prices to electric utilities continue to be lower than gas prices, gas sales to generate electricity could face some significant challenges from oil along the Atlantic Coast. Coupled with the return to life of nuclear power along the Atlantic Coast, near-term market prospects for gas sales to generate electricity along the Atlantic might be limited during the current period of low oil prices.

On the other hand, outside of these ten states, gas sales to generate electricity have grown more than 18% in 1998. Only three states in this group, California, Delaware, and Rhode Island, are using less gas to generate electricity in 1998 than they did last year. Most of this growth has been in the *Midwest*, where gas sales have grown by almost half, and in the *gas producing states*, where gas sales grew a quarter, mainly due to the very hot summer in 1998.

Gas sales to generate electricity may have finally begun their long-awaited growth. The regional locations of this growth, however, appear to have shifted. Given the likelihood that oil prices will remain low over the near term, the prospects for increased

gas sales along the Atlantic Coast may be limited if gas prices remain high relative to oil. Furthermore, some of the 1998 growth in gas sales to generate electricity reflect the effects of the record hot summer in the Midwest and producing states in 1998. If summer weather returns to a more "normal" pattern in 1999, this might lead to some decline in gas sales to generate electricity in these states. Given the importance of gas sales to generate electricity to future growth in gas sales, Ziff plans to devote a significant effort to investigate prospects for increased gas sales to generate electricity. Some critical questions are:

- Have gas sales truly begun their long-awaited growth?
- Where are the best prospects for increased gas sales to generate electricity?
- What are the implications of a sustained period of low oil prices for gas sales to generate electricity?
- Have segments of the electric utility industry begun to view oil-fired generation of electricity as an important option to supply increased electricity generation needs?

SGA/CTN BROADCASTS AT YOUR DESKTOP



The Southern Gas Association Corporate TeleLink Network (CTN) recently sponsored a live satellite broadcast discussion on how Canada, Mexico and the U.S. work together in the transmission, distribution, pipeline construction and marketing of natural gas.

The January 14th broadcast, "**Canada-Mexico-United States: Partners In Natural Gas**" included speakers: **Paul Ziff**, CEO - *Ziff Energy Group*, **George Watson**, President and CEO - *TransCanada Pipelines Ltd.*, **Marcos Rameriz**, President - *Pemex Gas*, **John Somerhalder**, President - *Tennessee Gas Pipeline*, **Bill Weidler**, Senior VP - *Lone Star Gas International*, **Jim Moylan**, Senior VP & CFO - *Sonat Inc.* and SGA Chairman of the Board.

The program, now archived on the internet is available for a fee of \$35 per PC at www.livenet5.com/clientssga. For further info. contact Tina Howard at SGA at (972) 620-4015 or e-mail tina@sga-aso.com.

Future programs to be broadcast simultaneously by live satellite and webcast on the internet include: April 19 - **Leading In a Competitive Environment: It Is and We Must**, June 10 - **Commissions In Transition - FERC, NARUC, NRRI**, July 22 - **The Power of the Market: The Coming Battle Between the Marketplace and Government**, October 14 - **Energy Markets of the Future**.

For full satellite scheduling go to www.sga-aso.com and look for the CTN satellite.



WESTERN CANADIAN SUPPLY/DELIVERABILITY STUDY Outlook, 1999 - 2003

Jim Oosterbaan, Vice President, Gas Services Canada

Over the past half year Ziff Energy staff have been involved in the preparation of a study of Western Canadian Supply/Deliverability, the fifth in a series of major Ziff Energy Group studies of Western Canadian supply and deliverability dating back to the 1980's.

This topic is an important and controversial issue, due to the low gas reserve life and 3 Bcf/d of new pipeline capacity between late 1998 and 2001. The new study comprises 12 discrete sections and will exceed 600 pages. It is the *most comprehensive assessment* of the Western Canadian basin.

Sections on Field Declines, the Western Canada drilling industry, Northwest Territories, Liquids, Shallow Gas, Infrastructure, and Gas Economics have already been issued to clients. The

remaining sections of the study focus on New Well Productivity, Producer Activity, '98 vs '95 Industry Conditions, and Scenarios of Future Deliverability. These will be issued within the month, followed by on-site presentations that focus on the issues of greatest interest to each subscriber.

The results of our Field Decline analysis were interesting and thought provoking. Pool Peak decline rates were calculated for 13 regions within the WCSB. This was supplemented by analysis of peak production decline rates and annual production decline rates for all producing wells. This depth of analysis is typical for other sections of the study.

If you are interested in receiving more information about the Study, contact Jim Oosterbaan at the Calgary office.

NEW SENIOR STAFF



Derril J. Stephenson, P. Eng. - Vice President, Corporate Services, Canada

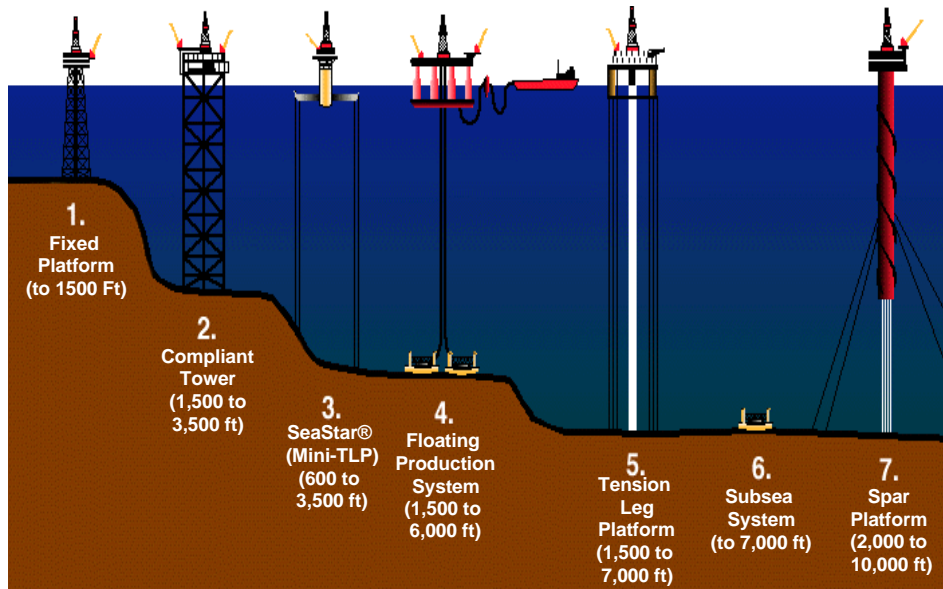
Mr. Stephenson leads the Canadian Corporate Group in Calgary, responsible for the X-Ray Benchmarking Studies and Canadian E&P custom consulting. Derril has 30 years of professional, consulting, and executive experience in the Canadian oil and gas industry. He worked 9 years with Shell in conventional oil and gas production and in-situ oil sands before joining the independent sector. He was responsible for developing heavy oil projects, consulting to Canadian and international clients, developing corporate strategic plans, completing successful divestiture programs, and managing over 40,000 BOE/d of oil and gas production. He also built and managed Vikor Resources, operator or Canada's first and most successful CO2 miscible flood. Prior to joining Ziff, Derril was Advisor Heavy Oil Development to Gibson Petroleum, including operating the Underground Test Facility (UTF) in the Athabasca Oil Sands. Derril brings extensive conventional oil and gas production, enhanced oil recovery, oil sands, acquisition and divestiture, consulting and executive experience to Ziff Energy Group. He has a BSc. in Civil Engineering from the University of Alberta and is a member of the CIM, CHOA and APEGGA.



W. Randy Schultz, P. Eng. - Project Manager, USRFOC

Mr. Schultz is a petroleum engineer with 20 years experience in the development and management of domestic production as well as gas and oil marketing. He has developed a broad background from his work experience in many facets of the E&P industry. His upstream background includes drilling, production engineering and field operations experience with Chevron USA in various areas across the United States. Randy's background also includes various positions in gas marketing, including regulatory affairs, supply management, transportation optimization and gas trading. Following the merger of Chevron's natural gas business with Natural Gas Clearinghouse (now Dynegy) in Sept. of 1996, Randy became Manager of Producer Services for the last two years. Based in Houston, Randy is responsible for managing various U.S. RFOC regional benchmarking studies within the United States. He has a Bachelor of Science Degree in Natural Gas Engineering from Texas A&I University (currently extension of A&M Kingsville), and is a registered Professional Engineer in Texas.

Deepwater Offshore Production Systems



Source: U.S. Minerals Management Service

For example:

- Operators with offshore operations in **international regions** will be able to compare their costs and practices to the Gulf of Mexico, the most extensively developed offshore area.
- Existing Gulf of Mexico Shelf and Deepwater players will be able to determine from a **strategic standpoint** whether they should be operating in a particular environment (e.g. they may be a very high cost operator in their older-
near-to-shore fields compared to other operators).
- Operators may choose to **select a peer group** of similar sized companies for a review of their own costs versus their selected peers.
- Companies may want to understand **key cost drivers** due to relationships available from all the ZEG data library.

Ziff Energy Group Promotions

Ziff Energy is pleased to announce two promotions in our Houston office. **Hank Kelly** has been promoted to Vice President, Offshore Services. Hank will be responsible for completion of the Gulf of Mexico Deep Reducing Field Operating Costs Study over the next month as well as being responsible for launching the new Gulf of Mexico Shelf/Slope Study for Finding and

Development Costs (F&D). **Richard Tucker** has been promoted to Vice President, Marketing for our Houston operations. Richard's responsibilities encompass all US business lines including gas and corporate services (primarily benchmarking). Richard will play a significant role in launching the Gulf of Mexico Shelf/Slope F&D study mentioned above.



Midstream Gas (continued from page 2)

The largest recent deal is the acquisition of 50% of **Gulf Canada's** midstream assets by Keyspan Energy, the parent company of Brooklyn Union Gas! On November 3, 1998, Keyspan bought a 50% interest in Gulf Canada's holdings in 14 gas processing plants and related gathering systems for \$US 189 million. Keyspan is also extending to Gulf a loan of \$US 65 million that Gulf can repay by selling an additional 19.7% interest to Keyspan. Keyspan has agreed to fund Gulf's share of capital expenditures for the next three years in return for a preferential share of cash flow. This deal makes sense to Gulf, as it is oil levered and heavily indebted, and is strongly focussed on reducing debt. The new Gulf debt is really a conditional sale of Gulf's partial interest in the plants. It provides Gulf with cash now and the option to maintain its full 50% if it wants to pay off the debt when its balance sheet improves.

Another transaction announced in August 1998, is **Compton Petroleum's** sale of its interest in the Mazeppa and Gladys plants (combined 97 MMcf/d capacity) to Dynegy Inc. Compton received \$C 60 million and was assured of processing and transportation capacity at *set rates*. Compton also can receive an additional \$12.5 to \$35 million from Dynegy. These funds will be drawn down by Compton from Dynegy to pay up to \$250,000 per gas well for up to 50 wells drilled by Compton in the catchment area of the plants. This latter portion is a payment designed to offset Compton's exploration risk while providing an incentive for

Compton to increase throughput to the plants. The deal makes sense for Compton as it eliminates its debt and it receives exploration funding at a time when junior equity markets are moribund.

Another recent transaction involves the Harmattan sour gas plant (capacity 490 MMcf/d). Although the transaction was private, some key terms are understood to be as follows. **TransCanada Midstream** ("TCM") gained operatorship of the Harmattan plant through the purchase of a small interest in the plant. Owners of the plant were provided with processing on fixed, competitive terms for a period of time. TCM agreed to invest approximately \$50 million in capital upgrades and to pursue business development to increase gas throughput into the plant. The owners of Harmattan benefit by receiving set processing rates and avoiding capital expenditures.

These types of arrangements allow producers to focus capital and effort on finding and developing gas and oil. The strategic issue of access to processing and gathering capacity can be mitigated through long term service contracts. The presence of third party processors in the WCSB can be expected to steadily increase.

Ziff Energy's staff and associates in Calgary and Houston have considerable midstream experience; the CSDS study analyses both liquids trends and gas plant infrastructure in Western Canada.

Ziff Energy Group Bursaries

Mr. Kristoffer (Kris) Aksomitis has been awarded Ziff Energy Group's 5th Annual competitive scholarship for a student majoring in *economics*. Kris, born in Regina, is in his fourth year at the University of Calgary.

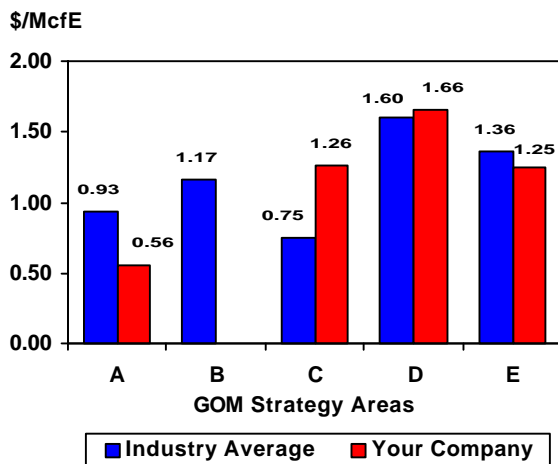
The Jack A. Sandercock bursary for a second year student in the Faculty of *Engineering* has been awarded to Mr. Karanvir Singh Dutt. The University Awards Committee selects the recipients based on a number of criteria, including academic achievements.

BENEFITS

The F&D study methodology pools proprietary data by strategy area for all participating companies to measure value added through specific strategies by comparing F&D costs directly to the value of the resources developed. This enables participating companies to:

- compare production replacement by F&D with overall industry performance, for both oil and gas reserve replacement, for each strategy area being pursued
- measure *real value added* by E&P activities versus peers and the industry
- examine net present value of resources developed for each strategy area, reflecting product quality, reservoir, producing rates, development costs and typical cycle times
- compare capital spending levels and mix to the industry and to comparably sized companies, for each strategy area
- identify *successful technologies* of prime importance in each of the strategy areas. ZEG will enlist key technology partners for design and analysis of this technology section.

Finding & Development Costs Gas Strategies - Industry Average vs. Your Co.



DELIVERABLES

A Comprehensive Report organized by multiple E&P strategy areas, based on geologic and economic considerations. This precise analysis highlights findings unavailable from traditional corporate-level or broad regional comparisons.

Customized analysis – comparison vs. peer companies.

Private Debriefing – to help each client's management team focus on immediate solutions.

THE STUDY TEAM

ZEG's Gulf of Mexico F&D study team includes:

Hank Kelly, petroleum geologist with 30 years Gulf experience as Area Manager for Mobil's Shelf and Deepwater business units and former Gulf of Mexico geoscience manager for Mobil E&P and Superior Oil

Mike Erpenbeck, petroleum geologist and MBA with 19 years upstream and marketing experience, including geological, exploration and development, and asset acquisition

Drew Low, petroleum engineer with 25 years experience in offshore operations for independents and major companies

Len Cyca, petroleum engineer with 20 years experience in oil and gas operations, and manager of ZEG's F&D studies in Canada

Since 1982, the firm has conducted 50+ multi-client studies analyzing upstream and E&P performance, as well as published dozens of reports on North American gas supply and transportation issues.

Further information about the 1999 Gulf of Mexico Finding and Development Cost Study is available at the ZEG website, <http://www.ziffenergy.com>, or from Hank Kelly or Richard Tucker in Houston 1-888-736-5780.



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